



Parliament of Australia

Department of Parliamentary Services

Annual Report and Financial Statements 2004–05



Parliament of Australia

Department of Parliamentary Services

Annual Report 2004-05

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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 2004-05
Parliamentary Service Act 1999



Parliament of Australia

Department of Parliamentary Services

13 October 2005

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

Hon David Hawker MP
Speaker of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

Annual Report 2004-05

1 I have pleasure in submitting the annual report of the Department of Parliamentary Services for the year ending 30 June 2005, 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.

2 This is the second annual report of the department, which commenced operations from 1 February 2004.

3 The year covered in this report has been a year of uncertainty and change for all staff, and for some it has involved enormously hard work. Much progress has been made, but the next couple of years are unlikely to be easier. Rather, we will see the change process arising out of the amalgamation winding down and being replaced by a second round of change involving in-depth reviews of what the department does and how we do it.

4 I am very grateful to all staff members who, despite those uncertainties, have worked conscientiously to ensure that our clients continue to receive the same high level of service to which they have become accustomed. I am also grateful to the staff of the Corporate Group for their major role in amalgamation work over the last 18 months.

Yours sincerely

Hilary Penfold QC
Secretary

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PART 1—Secretary's review

Introduction

1 The 2004-05 financial year was the first full year of operation of the Department of Parliamentary Services (**DPS**), which was created on 1 February 2004 by the amalgamation of the three joint departments in the Parliamentary Service, namely the Department of the Parliamentary Library (**DPL**), the Department of the Parliamentary Reporting Staff (**DPRS**), and the Joint House Department (**JHD**).

2 As far as we can judge, our external clients appear to have found the transition process fairly seamless; indeed many of those clients appear to be still unaware of the organisational changes that have taken place within the Parliamentary Service.

3 From within DPS, especially from the perspective of staff who came from one of the three former departments, the transition processes have been far more dramatic. So far, our core services, and the way we provide them, have not changed substantially. However, both a proposed departmental restructure, and forthcoming efficiency reviews required under a new certified agreement, have left many staff uncertain about their futures, and the future shape of the department.

4 Amalgamation has also placed a heavy workload on many staff. In addition to their normal responsibilities, staff have had to contribute to the tasks of creating systems, structures and policies to suit the new department.

5 Because DPS was created through a genuine merger of three departments (rather than a take-over of other agencies by one dominant department), and is headed by a Secretary chosen from outside the Parliamentary Service, there was no automatic adoption of the systems, structures or policies of any one of the former departments.

6 In some cases previous arrangements in one of the former departments provided a starting point, but in most cases models from each of the former departments were so different from those of the other departments that they could not be readily applied to the activities of the other departments. As well, most of the

PART 1—Secretary's review

arrangements in the previous departments appeared to be due for re-appraisal and revision.

7 Thus, many of our systems, structures and policies have had to be developed almost from scratch, and with a view to addressing the varied activities and cultures of the three different departments. This work has imposed a heavy extra burden on staff in the corporate area, as well as on senior staff in each of the Groups, who have had to work with corporate staff and the DPS executive to ensure that proposed systems, structures and policies will operate satisfactorily in the particular circumstances of their Groups.

8 Thus, for all staff, 2004-05 has been a year of change and uncertainty, and for many staff it has been a year of very hard work.

Amendments to the *Parliamentary Service Act 1999*

9 The Parliament's resolutions for the abolition of the three former joint parliamentary departments and the creation of DPS included a recommendation that a statutory office of Parliamentary Librarian be created.

10 During the year the *Parliamentary Service Act 1999* was amended to establish the statutory office of Parliamentary Librarian. The amending Bill was passed in March 2005 and received Royal Assent on 1 April 2005.

11 In addition to establishing the office of Parliamentary Librarian, the new provisions set out the functions of the office; provide for the Parliamentary Librarian's appointment, termination and remuneration; enable an acting Parliamentary Librarian to be appointed; and require resources to be provided to the Parliamentary Librarian.

12 The amending Act also established a Security Management Board. This followed a recommendation of the Senate Appropriations and Staffing Committee in a report on the Senate Department Budget 2004-05. The report also recommended the transfer of security funding and assets to DPS (see paragraphs 456 and 457).

13 The *Parliamentary Precincts Act 1988* provides that the Parliamentary Precincts are under the joint control and management of the Presiding Officers. The Presiding Officers approve security policy to be implemented throughout the Parliamentary precincts.

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14 The statutory Security Management Board is responsible for providing advice as required to the Presiding Officers on security policy, and the management of security measures for Parliament House.

Senior staff changes

Appointment of Deputy Secretary

15 Mr David Kenny was appointed to the newly created position of Deputy Secretary of DPS in January 2005. Mr Kenny joined DPS from the Department of Defence, where he headed the Information Systems Division. His initial responsibilities were to lead negotiations for a new certified agreement for the department, and to review DPS's governance arrangements for information and communications technology and propose a new set of arrangements. It was noted that this review might have implications for a broader reorganisation of DPS (see paragraphs 80 to 85). In July 2005, following the vote on the certified agreement, Mr Kenny took over line management responsibilities for three Groups.

Appointment of Parliamentary Librarian

16 Following the creation of the statutory position of Parliamentary Librarian (see paragraph 10), the position was advertised nationally in early April 2005 and applications closed at the end of April 2005. Interviews took place on 27 July, and on 5 October 2005 the Presiding Officers announced the appointment of Ms Roxanne Missingham, Assistant Director-General, Resource Sharing Division, National Library of Australia, as the new Parliamentary Librarian.

17 Ms Missingham is expected to take up the position in December 2005.

Other SES changes

18 During the reporting year two of the seven Assistant Secretaries left DPS, and a third began a period of leave preparatory to retirement.

- (a) Mr Rob Johnston, formerly Assistant Secretary, Information and Resource Services, DPL, retired.

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- (b) Mr Peter Crowe, formerly acting Assistant Secretary, Security and Facilities, JHD, resigned to take up a private sector position outside Canberra.
- (c) Dr June Verrier, formerly Assistant Secretary, Information and Research Services, DPL, announced her intention to leave DPS; she retired in August 2005.

Departmental restructure

19 In March 2005 I announced a proposal for a restructure of the department. The proposal was developed by the Deputy Secretary, and arose out of his review of DPS's governance arrangements for information and communications technology. The proposal will be further developed and implemented by a special project team put together for that purpose. Further details can be found in paragraphs 80 to 85 of this report.

Security enhancement works

20 The design brief for Parliament House required the architects to build an open and accessible building. The developments in terrorist activity in recent years mean that Parliament House is at some risk of terrorist attack. One of the major vulnerabilities that has been identified is the risk of attack by a vehicle-borne explosive device.

21 A program of security enhancement works was developed to address this risk. Parliamentary and National Capital Authority approval was granted in June 2004, with construction work commencing on site in October 2004. Handover of the last element of this works program took place in September 2005. The approved budget was \$11.7m and current indications are that the project was completed on or under budget. The works include:

- (a) Parliament Drive security barriers—construction of a low wall and associated fixed and retractable bollards around the inside of Parliament Drive, to prevent unauthorised vehicle access to areas inside Parliament Drive, while permitting authorised vehicle access to those areas. This project included substantial redevelopment of the assembly area in front of the public entrance to Parliament House.

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- (b) Slip road security barriers—the installation of retractable bollards at the slip roads to the Senate, House of Representatives and Ministerial Wing entrances to enable the exclusion of unauthorised vehicles while permitting authorised vehicle access.
- (c) Melbourne Avenue car park—access to the Ministerial wing ground level car park is to be restricted because of its proximity to Parliament House. Changes have been made to the Melbourne Avenue car parks to compensate for the loss of parking spaces outside the Ministerial Wing. Most of the Melbourne Avenue car parks will only be available to Parliament House pass holders.
- (d) Ministerial wing windows—blast mitigation measures have been put in place for all Ministerial Wing windows on all levels facing the Ministerial Wing Forecourt.

22 These measures will provide improved protection against the risks of an attack on Parliament House involving a vehicle-borne explosive device. They have already enabled the removal of the temporary white plastic barriers from the north aspect of Parliament House. The remaining plastic barriers will be removed when the use of the retractable bollards to restrict vehicle access to the building is settled.

23 The construction program was delayed for reasons that include:

- (a) a lack of qualified and experienced tradespeople in the Canberra region;
- (b) the need to re-run some tender processes in an attempt to source elements of the works at more acceptable prices;
- (c) discovery and treatment of a water leak in the Forecourt;
- (d) discovery and treatment of a major latent condition (the expansion joints to the surface of the original assembly area did not line up with the expansion joints to the structure itself); and
- (e) delays in the delivery of bollards from the USA.

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24 The new perimeter security arrangements will enable vehicles to be excluded from the area within the Parliamentary precincts surrounded by Parliament Drive. Final decisions on the level of exclusion will be made by the Presiding Officers based on DPS's consultation with our security advisers.

Security incidents

25 During the reporting period, there were a number of "white powder" incidents in which mail items received in Parliament House were found to contain a suspicious substance.

26 In June 2005, there were four such incidents within a two-week period. In all cases, the substances were subjected to pathology testing and were determined to be non-hazardous. In all but one of the incidents, the suspicious items were identified by security staff in the Loading Dock.

27 Parliament House is well supported by the ACT Emergency Services, in particular the ACT Fire Brigade HAZMAT team, in dealing with these kinds of incidents.

Procurement changes—Free Trade Agreement

28 As a direct consequence of the 2004 Free Trade Agreement (**FTA**) between Australia and the United States, the *Commonwealth Procurement Guidelines (CPGs)* were revised. The new guidelines took effect on 1 January 2005 and there is now a greater focus on procurements that involve expenditure of \$80,000 or more. Those acquisitions are referred to as "covered" procurements (the term originates from the FTA), and trigger the new mandatory procurement procedures.

29 The main impact of the revised CPGs for DPS has been in the areas of tendering and reporting. Except for limited circumstances, there is now a requirement to pursue an open tender method for all procurements that exceed the \$80,000 threshold, with a view to encouraging greater competition. DPS's tendering templates were reviewed during December 2004 to make sure they comply with the new procurement framework. In addition, our internal procurement guidelines and procedures have been rewritten and are in the process of being finalised.

30 DPS is now required to prepare and publish an Annual Procurement Plan in June of each year for the subsequent financial

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year. The plan facilitates advance procurement planning for DPS, as well as drawing businesses' attention to our planned procurements.

31 Under the new CPGs, DPS is undertaking an increased number of open tenders, and there has been a commensurate increase in the administrative burden on departmental staff.

DPS certified agreement 2005-2008

32 In November 2004, work commenced on the development of a single certified agreement to replace three agreements of the former departments (all due to expire on 30 June 2005). The DPS Certified Agreement Negotiating Group (**CANG**) was established to conduct the certified agreement negotiations. CANG membership comprised union organisers and workplace delegates, staff representatives and management representatives. From January 2005, CANG was chaired by the Deputy Secretary.

33 A total of 17 meetings were held over a seven-month period. Staff were kept informed of the progress of CANG through a dedicated portal on the DPS intranet site, by feedback from their staff and union representatives, and through articles in the staff newsletter.

34 Under the three agreements to be replaced, there were many different classifications and pay rates, and other inconsistent terms and conditions. For instance, the three agreements provided for 42 different job classifications (see Figure 38).

35 One of my main aims for the new certified agreement was to achieve a significant degree of consistency in the conditions which applied across the department, particularly in relation to rates of pay, working hours and leave arrangements. The agreement achieves this consistency to a greater degree than might have been expected so early after the creation of the new department. In addition to this consistency, the main features of the agreement include the following:

- (a) Provision for continuous improvement reviews of the operations and resources of each Group within DPS over the life of the certified agreement. It is expected that these reviews will deliver the underpinning productivity improvements required to fund pay increases under the agreement. A percentage of the second and third

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increases payable under the agreement are contingent upon the reviews doing so.

- (b) The establishment of a single eight-level classification structure. Staff will translate into the new structure at their current salary and progression through a salary range will be based on performance.
- (c) Provision for the introduction of a new performance management scheme that links individual performance to departmental outcomes.

Review of performance indicators in the 2005-06 Portfolio Budget Statement

36 An initial review of performance indicators in 2004-05 has resulted in a revised performance information structure that includes:

- (a) an Outcome effectiveness indicator—an indicator that allows an assessment of the extent to which Outputs and administered items make effective contributions to meeting the Outcome, or part of the Outcome; and
- (b) Output indicators—these are “quality, quantity and price” indicators. Price and quantity indicators generally relate to the efficiency of delivering the Output, while the quality indicators generally relate to delivering it at a particular standard. Quality indicators can also link to demonstrating the capacity of the Output to contribute to the Outcome.

37 This brings the department into line with both the Department of Finance and Administration guidelines, and the Australian National Audit Office (**ANAO**) publication, *Performance Information in Portfolio Budget Statements—Better Practice Guide—2002*.

38 The initial review will be followed up during 2005-06 with further work to develop effectiveness indicators and to confirm or replace current Output indicators. This will be done as part of the implementation of the newly developed business planning policy and framework (see paragraphs 392 to 394 in Part 5).

PART 1—Secretary's review**Archiving of parliamentary proceedings**

39 Broadcasting records and Hansard transcripts provide an important historical record of parliamentary proceedings, and are therefore considered a valuable national resource. During the year, a review into DPS's approach to archiving its records of parliamentary proceedings commenced. The purpose of the review is to develop, for the first time, an agreed policy on what content is archived, in what format, and for how long.

40 Initial discussions were held with the National Archives of Australia (**NAA**) and the National Library of Australia (**NLA**) and agreement was reached on the approach being taken. Further consultations have been scheduled with the chamber departments and other interested stakeholders.

41 A final proposal will be developed during the coming year for the Presiding Officers' consideration. After this, formal agreements with both NAA and NLA will be finalised.

Amalgamation issues

42 The 2003-04 Annual Report identified a number of amalgamation issues that required further work and consultation. Progress on addressing these issues during 2004-05 is detailed below.

Chief Executive's Instructions (CEIs)

43 CEIs are the primary source of policy information and advice for staff on the internal financial management practices of an agency. In the last 12 months, DPS has reviewed the interim CEIs carried forward from the former departments and developed a new set for DPS. The new CEIs were the subject of extensive consultation within DPS and were issued in July 2005.

Chief Executive's Procedures (CEPs)

44 The CEIs are supplemented by the CEPs, which provide detailed procedural guidance on a range of financial matters. In the last 12 months, CEPs have been finalised for official travel and cash advances, and drafts have been developed for most other topics that were covered by the former departments' CEPs. These CEPs will be issued progressively in the coming financial year.

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Governance arrangements

45 A considerable amount of work has gone into developing governance arrangements for the department over the last 12 months. This work has been focused in the areas of risk management and business planning policy and frameworks. The progress made is described in paragraphs 392 to 394 of this report.

SAP upgrade

46 On 1 July 2004, DPS adopted SAP as the financial management information system for the whole department (Oracle had previously been used by two of the three former departments). SAP will be used not only for financial management but also in our building management and project management activities.

47 The current version of SAP (version 3.1H) was implemented in the former Joint House Department (**JHD**) in 1998. This version is no longer supported by the vendor and there are a number of identified shortcomings for DPS. During the reporting year, a decision was taken to upgrade SAP.

48 The SAP upgrade project will replace the current SAP system with an upgraded version; implement consistent business processes; address ease of use, workflow and management reporting limitations in the current system; and review the contracted system support, warranty and maintenance arrangements.

49 The SAP Upgrade Project is broken into two stages, with Stage One focused on the requirements analysis and the conduct of a tender to select an implementation partner, and Stage Two on delivering the upgrade.

50 The DPS Request for Tender was published on the AusTender site in July 2005 with a closing date of August 2005. Following tender evaluation and contract negotiations, it is expected that an implementation partner will start work in DPS in September 2005. Stage Two is likely to take around nine months to complete.

(HRMIS)

51 As foreshadowed in the 2003-04 Annual Report, the evaluation and selection of a payroll/human resources system for DPS was a priority for the reporting year.

PART 1—Secretary's review

52 The department inherited two human resource management information systems from the three former joint departments—JHD used the CHRIS system while DPL and DPRS both used the PeopleSoft application.

53 A comprehensive evaluation of these two systems was undertaken through a limited Request for Proposal process during the period July to November 2004. The purpose of the evaluation was to assess which system would best suit DPS's ongoing requirements in terms of functionality and cost.

54 As a result of this process, DPS selected the PeopleSoft system as its payroll and human resources system on the basis that it had a higher level of compliance with DPS's requirements. It is expected that the new version of the system will be on line early in 2006.

Australia Day medallions

55 DPS's commitment to serve the Australian people is reflected in the award of Australia Day medallions to our high-performing staff. These awards also recognise the value of a diverse workforce consisting of skilled staff, and encourage their development and contribution to the work of the department. Australia Day medallions were presented to six DPS staff at DPS's first birthday function on 1 February 2005.

56 DPS staff who received Australia Day medallions were Katriina Arte (Information and Research Services), Mark Aston (Parliamentary Security Service), Mark Dymock (Building Fabric Services), Michael Pedvin (Building Information), Anil Singh (Electronic Media Monitoring Unit), and Judy Tahapehi (Client Support).

57 All staff recognised through these awards made a significant contribution to client service, whether directly to our external clients, or through the services they provide to other staff members.

DPS Services Directory for 41st Parliament

58 The DPS Services Directory for the 41st Parliament was published in November 2004. It consolidates information about the services provided by DPS to Senators and Members and other building occupants.

PART 1—Secretary's review

59 The Directory has been published in hard copy and is also available electronically through a direct link on the Senators' and Members' Services Portal.

Summary of performance and financial results

60 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, there is always room for further improvement.

61 Improvements to services, and to our efficiency and effectiveness in providing them, are expected from the forthcoming departmental restructure described in paragraphs 80 to 85 and from the continuous improvement reviews provided for under the new certified agreement.

62 DPS recorded an operating surplus of \$0.769m in 2004-05, its first full year of operations. This result was derived from a savings against budgeted expenses of \$1.643m and an increase against budgeted revenue from independent sources of \$0.654. These amounts were offset by unbudgeted asset expenses of \$1.528m.

63 The savings against budgeted expenses can be attributed to:

- (a) savings in the corporate areas arising from the amalgamation of the three joint departments;
- (b) savings arising from reduced demand for some services in an election year (for instance, in the Hansard, broadcasting and library areas); and
- (c) a general tightening in expenditure across all areas of the department in order to manage a \$4.84m reduction in the 2004-05 budget.

64 The \$4.84m reduction in the 2004-05 budget relates to a 2003-04 Budget decision to reduce the appropriations of the then five parliamentary departments by \$6.14m to offset the funds provided for increased security at Parliament House.

65 The effect of the amalgamation of the former joint parliamentary departments, and the transfer of security funding from the chamber departments to DPS, has been that the entire \$6.14m of the offset savings was applied against the DPS budget. The

PART 1—Secretary's review

original decision required these offset savings to commence in 2004-05, but one-off supplementation of \$1.3m was provided in the 2004-05 budget in recognition that the chamber departments could not find the required savings in the first year. These additional funds were applied to the DPS budget when the security function was transferred.

66 The increased revenue mentioned in paragraph 62 was due to a one-off payment from the Department of the Senate to cover security function purchase orders outstanding when the security function was transferred to DPS.

67 DPS was required to ensure all assets were re-valued to fair value as at 30 June 2005. This re-valuation resulted in a \$1.323m write down expense, largely from re-stating computing assets at their market selling price. The balance of the unbudgeted asset expenses related to the value of assets sold.

Outlook for 2005-06

68 The new Parliamentary Librarian should take up duty before the end of 2005.

69 A major focus of activity across DPS during the year will be the departmental restructure (intended to be finalised on 1 February 2006, the second anniversary of DPS's creation). Continuous improvement reviews as provided for under the DPS Certified Agreement 2005-2008 will also commence—all areas of the department are to be reviewed during the three-year life of the agreement, and efficiencies identified during those reviews will fund part of the salary increases payable under the agreement.

70 Negotiations have commenced on a new certified agreement covering Parliamentary Security Service (**PSS**) staff, which will need to be finalised early in 2006.

71 Other corporate activity will be focussed on:

- (a) the upgrades of our financial management information system (SAP) and human resource management information system (PeopleSoft);
- (b) the implementation of a new performance management scheme provided for under the certified agreement covering DPS staff other than PSS staff;

PART 1—Secretary's review

- (c) refinement of the business planning and performance reporting arrangements;
- (d) completion of the risk register; and
- (e) development and issue of further consolidated policies and guidelines.

72 As well, the Finance Committee will monitor a wide range of departmental spending with a view to enabling DPS to meet its further reduced budget this year.

73 Security will continue to be a major issue for DPS. The use of bollards to restrict access to the three slip roads running off Parliament Drive, and other changes to Parliament House access arrangements (including the future use of the Loading Dock and the possible designation of Parliament Drive as a one-way road), will need to be resolved. We will then need to examine the outstanding recommendations from the ASIO review conducted in 2003 and a review currently being finalised by the Protective Security Coordination Centre. As well, there is work to be done on the arrangements for issuing security passes for Parliament House, and on other aspects of security policies and procedures that could usefully be clarified, for the benefit of both the staff who have to administer them and the building occupants and others who are affected by them.

74 Other areas of focus will include:

- (a) a review of accommodation requirements in Parliament House;
- (b) an examination of information provision by the department, including web site arrangements and the future of ParlInfo;
- (c) the provision of childcare for occupants of Parliament House;
- (d) finalising arrangements for the future administration of the Parliament House Art Collection;
- (e) development of a water strategy for Parliament House, with particular reference to the continued use of sandy soils in the Parliament House landscape.

PART 1—Secretary's review

75 The Australian National Audit Office is planning an audit during 2005-06 of "the administration of the Parliamentary Departments, including consideration of the effectiveness of administration under the revised arrangements".

PART 2—Departmental overview

PART 2—Departmental overview

Introduction

76 The Department of Parliamentary Services (**DPS**) is one of three departments which comprise the Parliamentary Service.

77 The Secretary, under the Presiding Officers of the Parliament (the President of the Senate and the Speaker of the House of Representatives), is responsible for managing DPS and providing advice to the Presiding Officers on matters relating to DPS.

Departmental outcome statement

78 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.

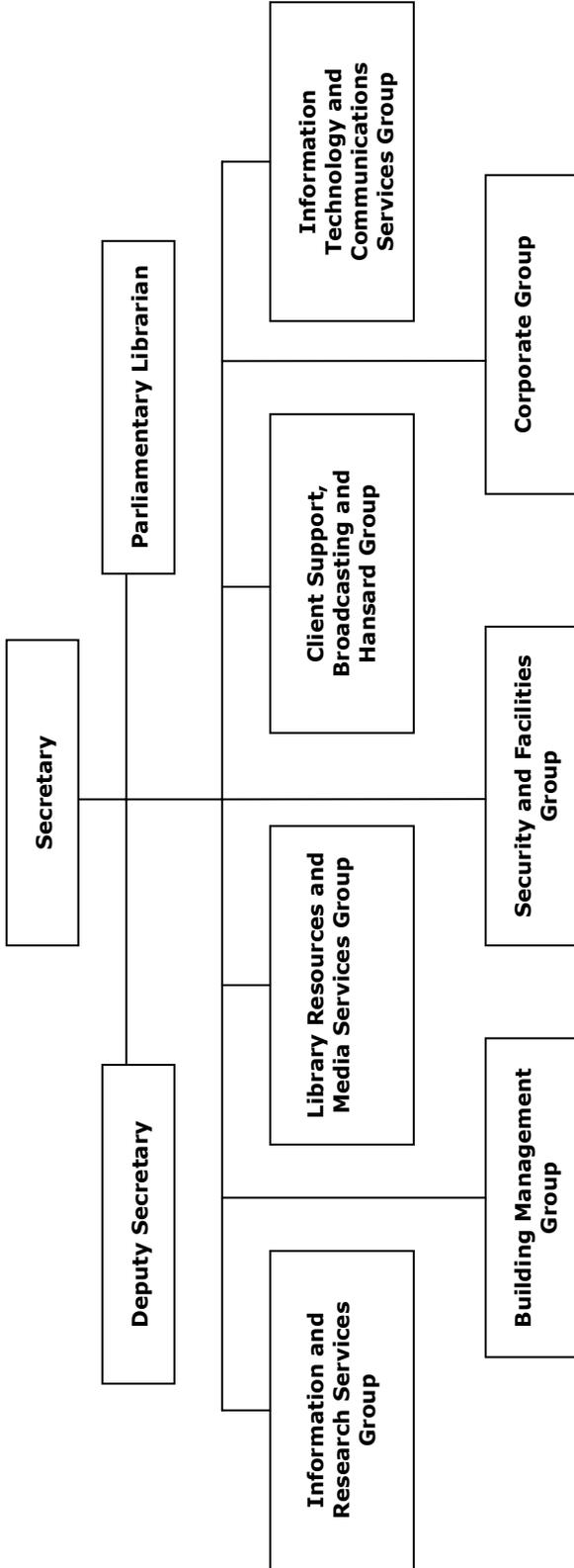
Departmental structure

Departmental structure as at 30 June 2005

79 The department consists of seven Groups as shown in the following diagram.

Part 2—Departmental overview

DPS Departmental structure June 2005



PART 2—Departmental overview

Departmental restructuring

80 In March 2005 the Secretary proposed a restructure of the department. The restructure is focused on changing the way DPS develops and delivers its services, rather than on an examination of the services themselves.

81 The certified agreement approved in July 2005 provides for continuous improvement reviews of the operations and resources of each group within DPS, over the life of the agreement. It is anticipated that the restructure and improvement reviews will occur concurrently until completed, and that they will complement each other.

82 One of the fundamentals of the restructure is that similar processes such as project management should be consistently applied and managed. The outcome is expected to be greater transparency and accountability, better allocation of resources and improved flexibility, responsiveness and interaction with our clients.

83 A development and implementation team, made up of DPS staff seconded on either a permanent or part-time basis, is developing the details of the proposed restructure. An important first job was to establish an implementation plan setting out timelines, a list of factors critical to the success of the restructure, a list of potential implementation risks and an associated risk mitigation plan.

84 The team will also develop a staff management strategy. This strategy will define the process by which staff moves are handled as a result of the restructure.

85 Input from DPS staff will be sought as part of an ongoing consultation process. Progress will be reported to the DPS Consultative Forum for the life of the project.

Departmental services

86 The work done, and services provided, by each of the seven Groups as they were organised during the reporting year is set out below.

PART 2—Departmental overview

Information and Research Services Group

87 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.

88 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.

89 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:

- (a) Economics, Commerce and Industrial Relations;
- (b) Foreign Affairs, Defence and Trade;
- (c) Law and Bills Digest;
- (d) Politics and Public Administration;
- (e) Science, Technology, Environment and Resources;
- (f) Social Policy;
- (g) Statistics.

90 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.

91 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

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resources have been developed in all subject areas; most of these resources are accessible to clients through ParlInfo (the parliamentary database) or the intranet. Print collections are maintained of pre-2000 newspaper clippings, Commonwealth legislative and parliamentary materials, historic Hansards, bills and explanatory memoranda and party political material.

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

Library Resources and Media Services Group

93 The Library Resources and Media Services Group (**LRMS**) 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. LRMS also maintains the physical collection, including an electronic index to Parliamentary Papers.

94 LRMS 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.

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

96 LRMS 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.

Client Support, Broadcasting and Hansard Group

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

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(8.00pm during Daylight Saving in Canberra, to ensure that service is available until 5.00pm in Western Australia).

98 CSBH 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, a multi-channel radio and television system available within Parliament House. These services are sound reinforced, and include systems for the hearing impaired in certain locations.

99 CSBH 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.

100 CSBH 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. CSBH also produces media transcripts for Senators and Members on request.

101 CSBH 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. CSBH 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 ICT 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.

Information Technology and Communications Services Group

102 The Information Technology and Communications Services Group (**ITACS**) is responsible for providing technical support for the Parliament's information, communications and broadcasting systems. ITACS is also responsible for the delivery and maintenance of new or

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enhanced systems. CSBH provides first line client support for these systems.

103 ITACS 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. ITACS 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).

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

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

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

Building Management Group

107 The Building Management Group (**BMG**) provides asset and environmental management services for Parliament House.

108 BMG 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 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.

109 BMG develops annual building work programs and specifications based on the strategic plans and client requirements.

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The work programs are delivered using various approaches including project management, construction management and lump sum contracts. Building Management 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.

110 BMG 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.

111 Building systems are monitored by BMG 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 BMG.

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

113 BMG 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. BMG coordinates the environmental effort of the department, and increasingly of the whole of Parliament.

114 BMG 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.

115 BMG 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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Security and Facilities Group

116 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

117 SFG provides security services through a layered approach.

118 The Protective Service section of the Australian Federal Police (AFP-PS) is contracted to provide a security service within the Parliamentary Precincts which consists of a constant presence of mobile and static patrols. Mobile patrols are provided by officers in vehicles, on bicycles and using explosive detection dogs. AFP-PS officers deal with security incidents within the precincts and provide an armed first response capability for Parliament House. The AFP-PS also provides security services within the Ministerial Wing (except for entry screening procedures at the entrances) and provides security to the Prime Minister's Suite and the Cabinet Suite.

119 The Parliamentary Security Service (**PSS**) officers provide access control and security screening at all entrance points and a mobile and static security presence throughout the remainder of 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 incoming people, goods and mail. Internal and external security is supported by closed-circuit television (**CCTV**) and a variety of electronic security systems.

120 Emergency responses within Parliament House are managed by the security section, supported by wardens from all parliamentary departments. Members of the security section chair and provide secretariat support to the Emergency Control Committee, and maintain the Building Emergency Procedures. 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.

121 SFG administers the Parliament House pass system, and acquires and maintains a range of security and emergency equipment, including access control systems, CCTV, electronic

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security equipment, and fire fighting systems. SFG is also responsible for developing security policy through the Security Management Board, for implementing security and emergency policy, procedures and response protocols for Parliament House, and for pursuing any capital works required by the changing security environment or new security policies.

Facilities

122 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, TQ3 Navigant travel agent, Aussie's General Store, the Post Office, a hairdresser, a physiotherapist and a florist.

123 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.

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

125 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.

Corporate Group

126 The Corporate Group (**CG**) provides services in support of the other Groups that make up DPS.

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127 CG 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.

128 CG maintains the HRMIS 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.

129 CG 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. CG manages the Employee Assistance Program contract.

130 CG supports the Certified Agreement and Australian Workplace Agreement 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 and any other discipline matters.

131 CG 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. CG develops and reviews corporate strategies and is responsible for developing and implementing a continuous improvement framework. CG supports the Audit Committee and other committees.

132 CG 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's

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Instructions and delegations for this purpose. It coordinates external and internal budgeting and provides monthly management reporting and statutory reporting, including annual financial statements.

133 CG 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) and records management.

134 CG 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.

135 CG 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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Overview

Performance information and reporting model

136 As foreshadowed in the 2003-04 Annual Report (and reported in the Secretary's review, paragraphs 36 to 38), DPS conducted an initial review of its performance indicators and reporting model during 2004-05. A new reporting model and performance indicators resulted, and will be used in 2005-06, replacing the former departments' three models.

137 The initial review will be followed up during 2005-06 with further work to develop effectiveness indicators, and to confirm or replace current Output indicators, having regard in particular to the departmental restructure referred to in paragraphs 80 to 85.

Output cost attribution

138 The department uses activity-based costing principles to attribute its shared items. Personnel costs are allocated to output groups based on the number of staff, while other corporate costs are allocated in equal shares. The model also attributes the costs of providing other internal services to the output groups. These internal services are computing services, telecommunication services and accommodation services. Costs are allocated to other output groups based on the number of computing connections, the number of phone connections and the floor space occupied respectively.

139 The amounts shown in this Part as the total cost of sub-outputs include an allocation of corporate overheads and internal service costs. There are no previous results or budget figures with which these amounts can be directly compared:

- (a) The actual results for 2003-04 were derived by adding together the results of the three former parliamentary departments for the seven months to 31 January 2004 and of DPS for the five months to 30 June 2004, and the attribution basis used in these separate results was different from that used in the final 2004-05 analysis.
- (b) The figures shown in the Portfolio Budget Statement 2004-05 only represent the allocation of appropriation to

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sub-outputs and not the full cost of those sub-outputs. In addition, the overheads and internal service costs were allocated on a slightly different basis from that used in the final 2004-05 analysis.

Changes to Outcome and Outputs reporting model

140 Where possible, the new reporting model and indicators developed for 2005-06 have been used to report on 2004-05 performance.

Outcome and Outputs

141 Figure 1 shows the outcome and contributing outputs for the department.

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Figure 1—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 programs</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.

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Output 1—Information and Research Services

Introduction

142 Output 1 aims to provide an effective knowledge centre for the Parliament through the provision of information, analysis and advice.

143 Performance is assessed using indicators that cover quality, quantity and price. Indicators, performance results and relevant comments are shown against each of the sub-outputs.

Sub-output 1.1—Information, analysis and advice services to meet clients' needs

144 The services contributing to this Output are as follows:

- (a) Commissioned information and research services—these are tailored responses prepared following requests from individual Senators, Members and their staff, and other parliamentary clients.
- (b) General briefs and publications (**GBAPs**)—formerly known as general distribution products, these are prepared where strong client demand is anticipated for briefing on specific policy issues. GBAPs include Bills Digests, which provide Senators and Members with an independent explanation and commentary on Bills as they come before Parliament. A significant proportion of GBAPs are available to the general public through the Library's Internet site.
- (c) Media services—desktop access to television and radio news and current affairs programs broadcast in Canberra, provided to Members and Senators for their parliamentary duties.

145 Acknowledging that clients may require information and research packaged in different formats, the Library has developed a range of other products and services to augment GBAPs. These include vital issues seminars, audio briefs, internet resource guides, background notes and a dedicated map service. In 2004-05 for example, client interest in water and drought issues was addressed by Bills Digests, maps, feature articles in GBAPs and an internet resource guide.

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146 The Library also manages the Australian Parliamentary Fellowship on behalf of the Presiding Officers. For the first time since its inception in 1971, the Fellowship has been awarded to a scientist, Dr Sophia Dimitriadis. The 2005 Fellowship will examine strategies and initiatives for advancing water recycling in Australia. The 2003 and 2004 Fellowship monographs have been completed and are scheduled for launch in November 2005. Dr Angela Pratt’s monograph examines the politics of reconciliation in the Australian Parliament 1991-2000 and Dr Kate Burton’s study provides an examination of the parliamentary committee system and its oversight of foreign policy.

Figure 2—Sub-output 1.1—quality indicators

Quality indicators	Measure	Target	Performance
1. Client satisfaction with requests, GBAPs and media services	Qualitative evaluation using information gained from office visits, unsolicited feedback and focus groups with clients	High level of satisfaction	98% of unsolicited client feedback was positive (see also paragraphs 147 to 150)

Indicator—Client satisfaction with requests, GBAPs and media services

147 Following the 2004 election, newly elected Senators and Members were offered the services of an experienced Library staff member to provide a personalised introduction to Library services for themselves and their staff. The majority of new Members made use of this service. The contact officers program also commenced for Senators-elect.

148 Feedback from these programs indicates that new Members and their staff are impressed with the range, quality and timeliness of Library services. Many of them are now becoming regular users.

149 During the year, one staff focus group with clients was held. These clients expressed an overall high regard for Library services, highlighting their trust in service confidentiality, regard for the proactive service and reliance on Library briefs.

150 Unsolicited feedback is an important tool for evaluating the quality of Library services. The “bouquets and brickbats” database provides an ongoing record of all feedback which is volunteered from clients. Of the 635 comments for 2004-05, only 11 were negative.

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Each of these was investigated and followed through with the client as required.

Figure 3—Sub-output 1.1—quantity indicators

Quantity indicators	Measure	Performance	
		2003-04	2004-05
1. Client requests	Number of:		
	• requests handled;	25,861	19,582
	• total hours spent on all requests; and	57,906	45,264
	• average hours on each request	2.24hrs	2.31hrs
2. GBAPs	Number of:		
	• GBAPs produced;	321	313
	• total hours spent on all GBAPs; and	20,163	24,602
	• average hours on each GBAP	62.8hrs	78.6hrs

Indicator—Client requests

151 There was a decrease in the number of hours spent meeting client requests, and also a decline in the number of requests made during the year. This pattern accords with expectations for an election year. The average time spent on each request rose marginally.

152 The Time and Activity Recording Data Information System 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, the 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.

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Indicator—GBAPs

153 The overall number of GBAPs produced remained consistent with the previous year. The number of Bills Digests published (included in the GBAP statistics) increased from 166 last year to 185 in 2004-05, including 19 relating to Bills that were reintroduced.

154 There was a substantial increase in both the total number of hours spent producing GBAPs, and on the average hours spent on each GBAP. This was largely as a result of producing significant publications and a new service described below.

Key issues for the 41st Parliament

155 This briefing book attempts to anticipate the most significant issues parliamentarians may be called on to address in the early months of the new Parliament. It presents a brief introduction to those issues, highlighting major areas of public policy concern, the context for those concerns, and possible new policy and legislative directions.

Implications: Budget 2005–2006

156 Because the first budget of a new parliament usually has significant agenda-setting elements, the Library publishes an analysis of key budget measures. The 2005-2006 publication provides a broad overview of the budget and includes:

- (a) feature articles on the health budget and overseas aid;
- (b) summary articles on the “welfare to work” package, the proposed Future Fund and the Australian Water Fund; and
- (c) articles about taxation reform proposals for the small business sector.

Parliamentary Handbook of the Commonwealth of Australia

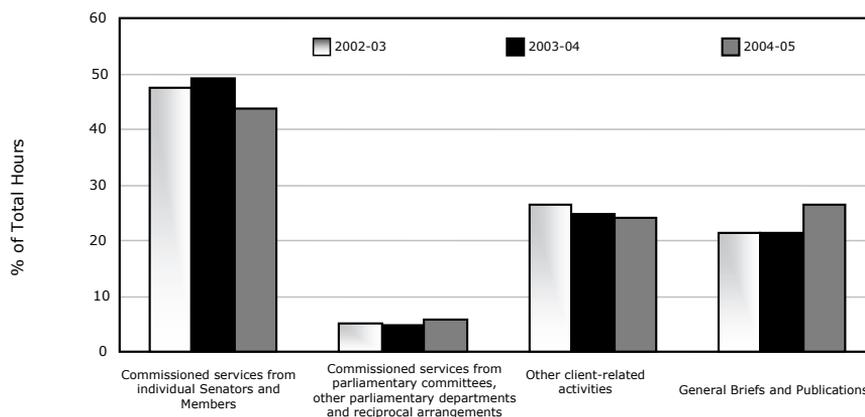
157 The Handbook is a compendium of biographical and statistical information on the federal parliament. It is available electronically and in print format. Sections of the Handbook are updated regularly online and a new print edition is published for each Parliament. Work commenced on the 29th print edition (covering the 41st Parliament) with publication scheduled for October 2005.

PART 3—Report on performance*Background notes*

158 Background notes are a new service developed to provide quick summaries of useful, frequently-requested information, or updates on evolving subjects such as progress on policy initiatives, legislation or other important developments. They are only available to Senators and Members and parliamentary staff, online through the Library's Intranet, and are not publicly available.

159 Fifteen issues were addressed through background notes in 2004-05, including voluntary student unionism, Commonwealth expenditure on indigenous affairs, cloning and workplace relations. The time spent producing background notes is counted in the total number of hours spent on all GBAPs.

Figure 4—Distribution of hours by service type



160 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.

Figure 5—Sub-output 1.1—price indicator

Price indicator	Performance
Total cost of sub-output (information, analysis and advice services)	\$11.375m

161 There are no comparisons with performance in previous years. See paragraphs 138 and 139 for an explanation.

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

162 Self-help services provide clients with access to the Library's electronic products 24 hours a day, 7 days a week. These are accessed through the parliamentary computing network using the ParlInfo databases, the Electronic Media Monitoring Service (**EMMS**), the Library's catalogue and Internet and intranet sites.

163 Specific self-help services include:

- (a) newspaper clipping, press release and journal article databases in ParlInfo;
- (b) library publications made available through the Internet and intranet, and also available in ParlInfo;
- (c) digitised and archived news and current affairs programs broadcast in the electronic media and made available through the EMMS; and
- (d) commercial databases, including ABS@Parliament, Proquest and some legal services available through the Library's intranet and the Senators' and Members' Services Portal.

164 As far as possible, usage rates of all of these services are monitored to ensure that they remain relevant and are of practical assistance to Senators, Members and their staff. More work will be undertaken in the future to monitor usage rates of individual services.

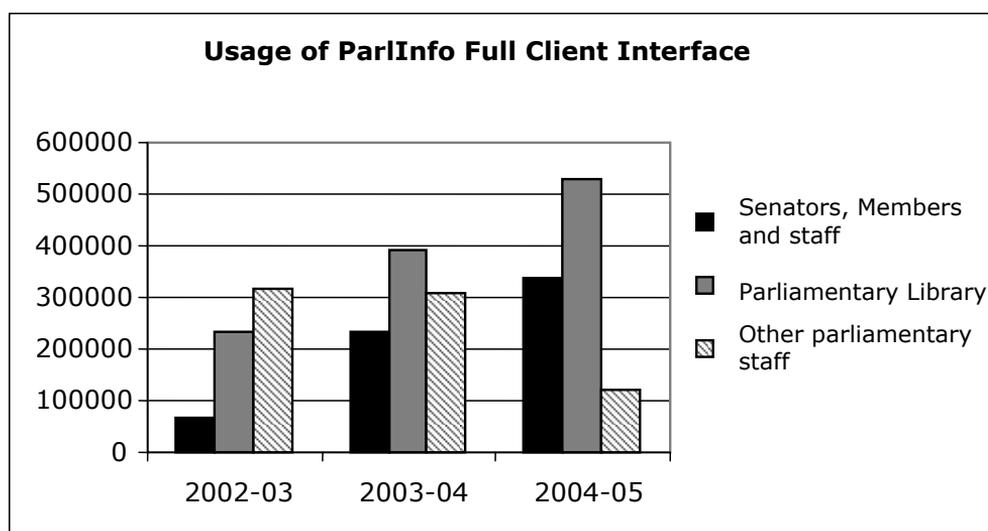
165 To help clients use these services effectively, the Library provides orientation and training courses as well as individual tuition and tip sheets.

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Figure 6—Sub-output 1.2—quality indicator

Quality indicator	Measure	Performance	
		2003-04	2004-05
Increased usage of Library databases	Database searches and hits on electronic documents (made by non-Library staff) using the full client interface to ParlInfo	540,616	486,298 ¹

Figure 7—Usage of ParlInfo full client interface

**Indicator—Increased usage of Library databases**

166 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.

167 To measure access, the Library relies on usage data logged whenever ParlInfo or the Internet or intranet is accessed. Some commercial databases also provide usage data to the Library. The Library has been refining data collection processes because the

¹ Usage data for electorate offices was not collected during May or June, and is suspected to be inaccurate for April. Therefore this figure is a full year projection based on data for the first 9 months.

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reliability, consistency and accuracy of data is variable depending on the source and method of collecting data. This work will continue.

168 To promote efficient and more effective use of ParlInfo, the Library has increased its efforts in providing targeted training and tip sheets to Senators, Members and their staff. Library staff have also taken advantage of this training in an effort to ensure that they provide a comprehensive and informed service to clients.

Electronic Media Monitoring Service

169 Until November 2004 the Electronic Media Monitoring Unit (**EMMU**) relied on an analogue recording system and archived VHS and audio tapes of programs. Senators' and Members' requests for copies of programs were met by either playing the program through the House Monitoring Service or providing copies of tapes.

170 The Library's new Electronic Media Monitoring Service (**EMMS**) records television and radio news and current affairs broadcasts in Canberra and allows Senators and Members to browse, search and view those programs on desktop PCs. The closed captions which are broadcast with many television programs are captured by EMMS and made available to clients for searching programs or for use as a rough transcript.

171 The primary goals of the project, which was launched in November 2004, were to:

- (a) provide access 24 hours a day, 7 days a week, both in Parliament and in electorate offices, to the material recorded by the EMMU;
- (b) promote on-line access to content rather than continuing dependence on physical media; and
- (c) encourage client self-service by providing an environment where clients can browse and playback content without the involvement of EMMU staff.

172 These goals have been met, except for online playback in electorate offices. There are still some limitations within the network which restrict the size and number of files which can be delivered from Parliament House. Trials are being conducted in the first quarter of the new financial year in an effort to overcome this problem.

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173 The simple interface means that clients can access the system without any formal training, although a tip sheet is emailed to new users and also made available through the Help screen in EMMS.

174 The take-up rate has been high. In November 2004, 5,946 hits were made on the system. By June 2005 usage had grown to 8,363 hits. This compares with 3,654 requests for programs received in 2004-05, 4,392 in 2003-04 and 4,636 in 2002-03.

Figure 8—Sub-output 1.2—quantity indicators

Quantity indicators	Measure	Performance	
		2003-04	2004-05
1. Material added to Library databases	Number of resources added to databases created by the Library	142,394	154,563
2. Material added to Library collection	Number of monographs ² added to the Library	6,756	5,370

Indicator—Material added to Library databases

175 Clients of the Library require access to accurate and up-to-date information. As electronic material can be made accessible to desktops 24 hours a day, 7 days a week, greater emphasis is being placed on collecting material in an electronic format and making it accessible through easy-to-use interfaces such as the Senators' and Members' Services Portal.

176 The newspaper clipping database continues to grow quickly; an average of 337 entries were added to the database each day in 2004-05. This compares with an average of 298 per day in 2003-04. This is also one of the most heavily used databases in ParlInfo, which indicates its relevance and usefulness to the Library's clients.

177 The Library's other internal databases do not grow as quickly but are also heavily used, because many are unique compilations of information of specific interest to the Library's clients, and benefit from the sophisticated search features of ParlInfo.

New service

178 The Electorate Atlas on the Library's Intranet was enhanced, by staff in the Library's Information Systems and Web Services area

² Monographs are non-journal publications complete in one volume or a finite number of volumes.

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and the Statistics section, to include an interactive thematic mapping service. Senators, Members and staff can use this facility to draw thematic maps of electoral divisions showing a range of socio-demographic and election data. Over 4,000 census and election variables can be mapped.

Indicator—Material added to Library collection

179 The Library’s hard copy collection is constantly updated in accordance with the Library’s Information Access Policy. The Library aims to keep the collection at around 110,000 titles while taking into account the constant need to acquire new material, discard outdated, damaged or redundant material and maintain an historical collection of legislative and constitutional material for the future use of Parliament.

Figure 9—Sub-output 1.2—price indicator

Price indicator	Performance
Total cost of sub-output (access to collection sources for the use of Parliament)	\$8.202m

180 There are no comparisons with performance in previous years. See paragraphs 138 and 139 for an explanation.

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Output 2—Client and Technical Services

Introduction

181 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, and price. Indicators, performance results and relevant comments are shown against each of the sub-outputs.

Sub-output 2.1—Client support, broadcasting and Hansard services

182 Client Support, Broadcasting and Hansard Group provides the following services.

Client support

183 The Client Support section is responsible for the support desk, which is the interface between clients and the staff who deliver computing, broadcasting and Hansard services, training services and client consultations.

Broadcasting

184 The Broadcasting section is responsible for the production and distribution of television, audio and client-specific broadcast services.

Hansard

185 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.

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Figure 10—Sub-output 2.1—quality indicators

Quality indicators	Measure	Target	Performance
1. Client satisfaction	Client survey	See paragraphs 186 and 187	
2. Timeliness of problem resolution (Client support)	Percentage of support requests resolved within service standards	90%	97%
3. Accuracy of transcription (Hansard)	Error rate per 100 pages transcribed, as notified by clients:	reduction in error rate compared with 2003-04 performance	
	• chambers	3.3 errors	3.7 errors
	• committees	0.7 errors	0.3 errors
4. Timeliness of transcription (Hansard)	Number of transcripts delivered within service standards:	improved performance compared with 2003-04 performance	
	• chamber speeches	97%	96%
	• committees	96%	100%

Indicator—Client satisfaction

186 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 for the 40th Parliament were generally positive and are reported in detail in the Department of the Parliamentary Reporting Staff’s annual report 2002-03.

187 The survey for the 41st Parliament is yet to be conducted.

Indicator—Timeliness of problem resolution (client support)

188 Timeliness of service delivery to Senators, Members and parliamentary committees continues to be of high importance. DPS responded to 48,875 calls to the support desk in 2004-05, a 27% decrease from 2003-04.

189 Problem resolution service standards are based on four service priority levels with agreed resolution times, as shown in Figure 11.

PART 3—Report on performance*Figure 11—Problem resolution service standards*

Priority	Resolution time
Immediate	2 hours
High	4 hours
Medium	8 hours
As agreed	as agreed with client

190 The resolution timeframes were met for 97% of all service calls resolved during 2004-05. Support desk calls logged as an immediate priority accounted for 1% of the total calls, high priority for 3%, medium priority for 20%, with the remaining 76% resolved in a timeframe agreed with the client.

Indicator—Accuracy of transcription (Hansard)

191 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.

192 The combined chamber error rate of 3.7 errors per 100 pages for 2004-05 maintained the high standard for accuracy achieved in 2003-04. The committee transcripts error rate of 0.3 errors per 100 pages reflected the best accuracy result achieved since 1997-1998.

Indicator—Timeliness of transcription (Hansard)

193 The service delivery standards required for chamber transcripts are as follows:

Figure 12—Timeliness of transcription service standards (chambers)

Item transcribed	Delivery time
Individual draft speeches	within two hours of speech finishing
Electronic proof Hansard reports	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	within 10 working days following last sitting day in the week
Hard copy Official Hansard	delivered to publisher within 10 working days following last sitting day in the week

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194 Senators and Members are primarily concerned with the delivery time for individual draft speeches and this is the indicator reported on.

195 The service delivery standards for committee transcripts are in four categories, namely within 24 hours, within 1-3 days, within 3-5 days and over 5 days. Delivery times for each committee hearing are negotiated with the Clerk Assistant, Committees.

196 For committees, the rate of timeliness for transcript deliveries in 2004-05 was 100%, which is consistent with the timeliness result for the last election year (2001-02). However, the number of hours transcribed in 2004-05 was 18% higher than in 2001-02.

197 The high proportion of requests for priority transcript deliveries continued in 2004-05, particularly requests for delivery of committee transcripts within three days or less. These have increased from 22% of the total number of committee transcripts produced in 1999-2000 to 66% in 2004-05.

Figure 13—Sub-output 2.1—quantity indicators

Quantity indicators	Measure	Performance	
		2003-04	2004-05
1. Client support services	Number of client support services by category:		
	• support desk calls	67,148	48,875
	• training services	541 student days	670 student days
	• consultations	6,561 hours	6,289 hours
2. Broadcasting services	Hours of material captured on audio visual record, by category:		
	• chambers	1,488	963
	• committees	2,606	1,479
	• client specific	4,389	5,849
3. Hansard	Number of hours transcribed, by category:		
	• chambers	1,488	963
	• committees	2,606	1,479
4. Community access to parliamentary proceedings	Number of Webcast accesses	485,634	343,807
	Internet		see Figure 17
	Web interface to ParlInfo		see Figure 17

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Indicators—Client support services

Support desk calls

198 There was a 27% decrease in the number of calls to the Client Support Desk in 2004-05. The decrease is believed to be due to the general reduction in parliamentary activity during election years, the stabilisation of arrangements for providing support to electorate offices on behalf of the Department of Finance and Administration, and a reduction in significant technological change projects.

199 Of the Client Support desk calls logged, 77% involved computing service requests, 10% involved communications services requests, 8% involved broadcasting service requests and 2% were Hansard service requests.

200 Calls from electorate offices totalled 18,482 and accounted for 42% of the total Client Support desk calls logged. In 2003-04 electorate office calls accounted for 39% of the total calls logged.

Training services

201 Group training courses provided in 2004-05 totalled 670 student days, an increase of 24% on 2003-04. There was also an increase in one-to-one training sessions provided during the year, with 201 sessions compared to 149 sessions in 2003-04. These increases are attributed to higher demand following the commencement of the 41st Parliament, including from a number of new Members and their staff. There was a greater capacity to schedule training courses as a result of the reduction in Client Support desk activity during the year.

Consultations

202 Individual consultations with clients decreased from 6,561 hours in 2003-04 to 6,289 hours in 2004-05. This result largely reflects the reduction in calls to the Client Support Desk during an election year and a change in reporting methodology. In previous years, time spent on research and documentation activities, indirectly associated with query resolution, had been recorded against client consultation, whereas the new methodology is based on more specific recording and does not record such activity as a consultation.

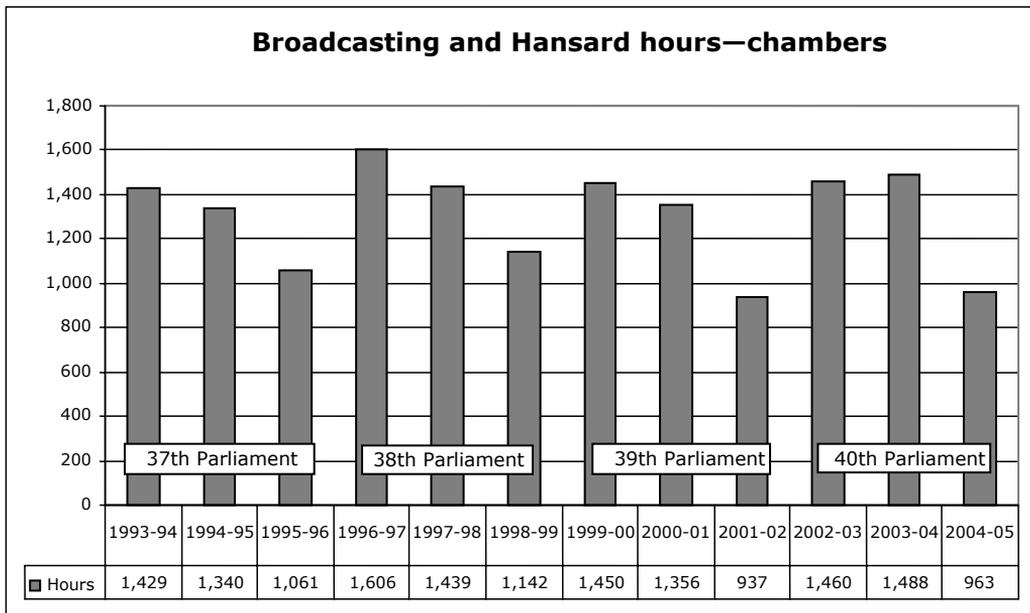
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Indicators—Broadcasting services and Hansard

Chambers

203 There were 963 hours of chamber proceedings broadcast (television and audio) in 2004-05. This is a large decrease when compared with the 2003-04 results, but is consistent with the activity levels in the last election year (937 hours in 2001-02).

Figure 14—Broadcasting and Hansard hours—chambers



204 Transcripts of parliamentary proceedings mirrored the hours of broadcasting. Transcripts were provided to occupants of Parliament House in hard copy, and were also available electronically through ParlInfo, the parliamentary database. Transcripts were provided to the general public through:

- (a) the Australian Parliament House website (including a search option using ParlInfo Web);
- (b) libraries and educational institutions through the Legal Deposit and Commonwealth Library Deposit and Free Issue Schemes; and
- (c) direct subscriptions.

PART 3—Report on performance*Committees*

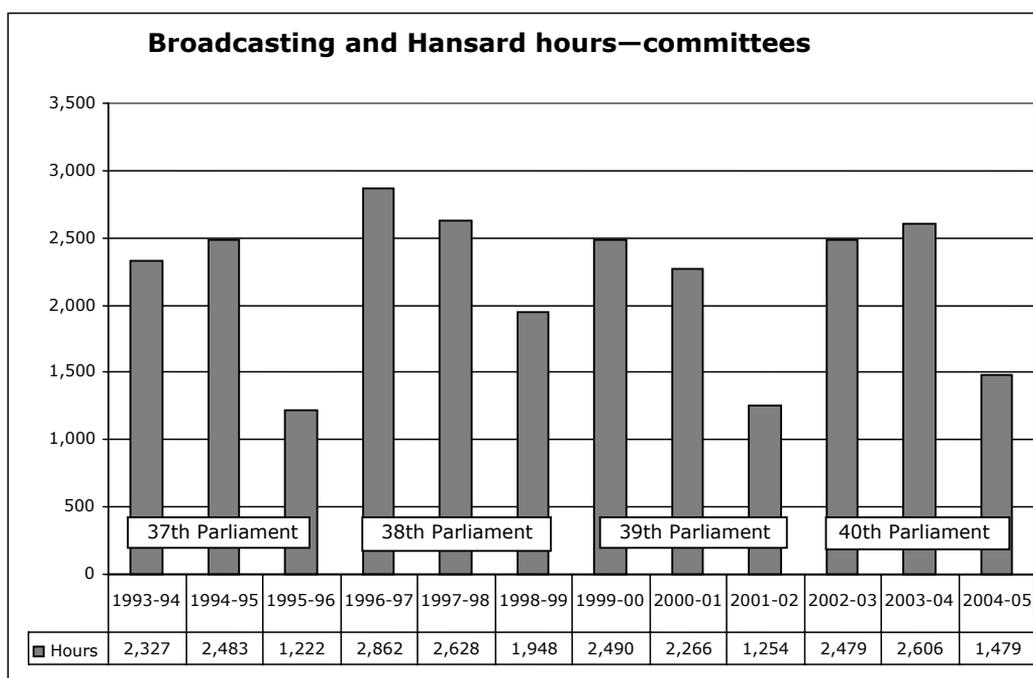
205 There were 1,479 hours of committee hearings broadcast (television and audio) in 2004-05. This is a large decrease when compared with the 2003-04 results, but is well up on the last election year (1,254 hours in 2001-02).

206 As has been the case in recent years, Senate Estimates Committee hearings again presented the most significant workload challenges for Hansard and accounted for over 36% of total committee hours. Interstate committee hearings accounted for approximately 33% of the total hours transcribed, which is slightly less than the results recorded in recent years.

207 Senate committee hearings made up 78% of the total workload. Joint committee hearings, for committees with members from both chambers, are included in the total hours for the chamber which provides administrative support.

208 DPS continued to use external transcript providers in the management of its peak workload. These providers accounted for 67 hours, or 5% of the total committee hours transcribed, in 2004-05.

Figure 15—Broadcasting and Hansard hours—committees

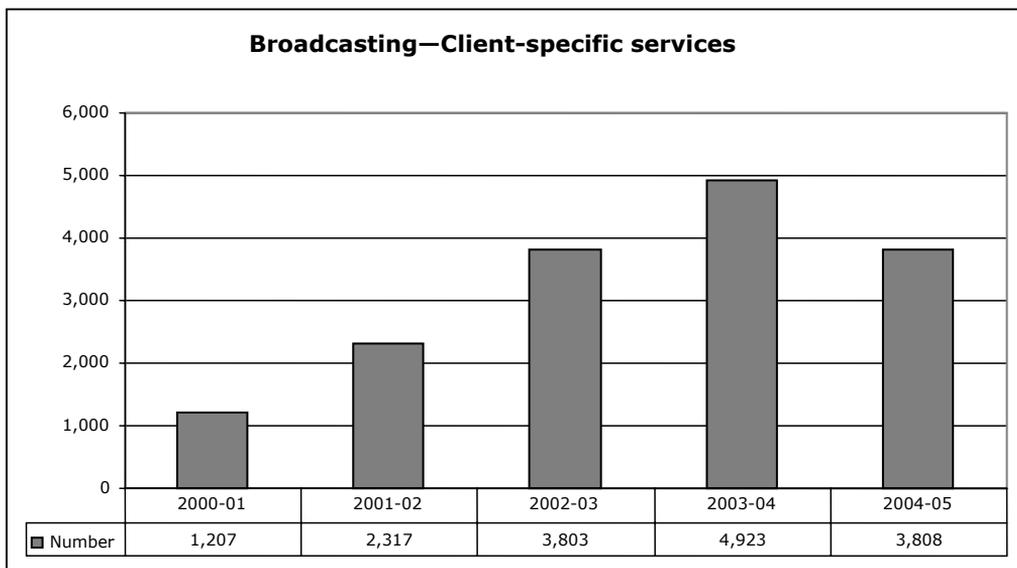


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Client specific services

209 The number of client-specific broadcasting services decreased in 2004-05, from 4,923 to 3,808. While this decrease is largely a reflection of reduced demand for these services during the election period, the number is a 64.4% increase on the previous election year in 2001-02. While decreasing in number, the total hours for these services increased in 2004-05 (from 4,389 to 5,849), because they included a greater proportion of more time-consuming services such as filming pieces to camera and special events.

Figure 16—Broadcasting—client-specific services



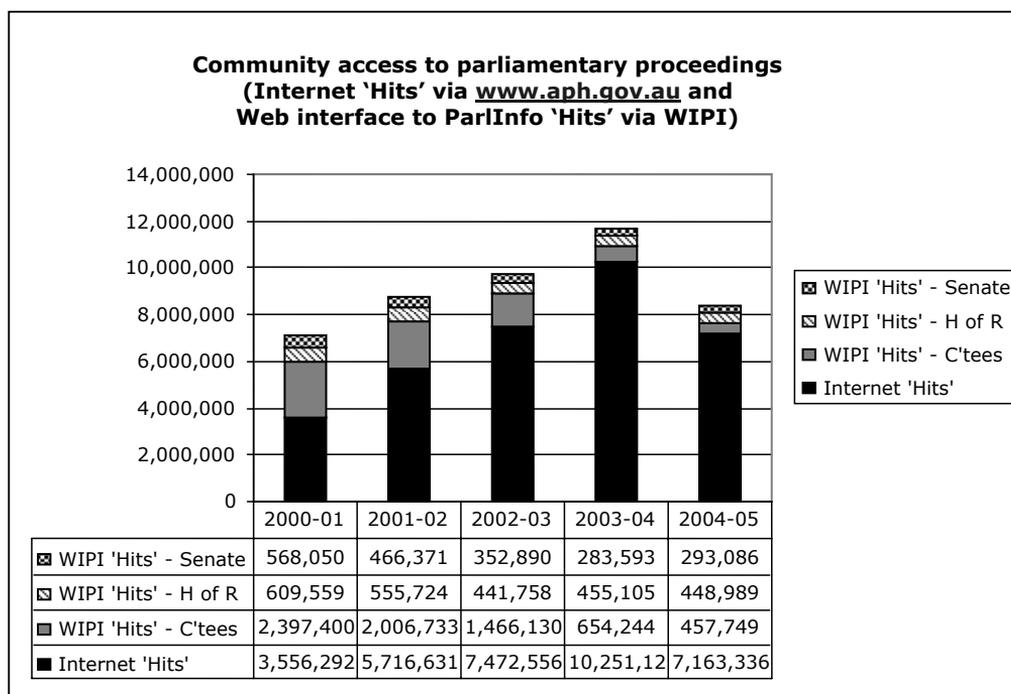
Indicator—Community access to parliamentary proceedings

210 The department makes parliamentary proceedings, including live television coverage, available on the Internet through webcasting.

211 The number of webcast accesses by external clients decreased by 29% from 485,634 in 2003-04 to 343,807 in 2004-05, due to the lower activity levels of an election year. However, the trend is for rising demand for webcasting services, with a 100% increase in requests when compared to the last election year (172,317 requests in 2001-02).

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Figure 17—Community access to parliamentary proceedings



212 Each file requested by a visitor registers as a hit (via www.aph.gov.au and web interface to ParlInfo via WIPI) for the purposes of this chart. Depending on page content, there can be several hits on a single page accessed.

Figure 18—Sub-output 2.1—price indicator

Price indicator	Performance
Total cost of sub-output (client support, broadcasting and Hansard services)	\$17.686m

213 There are no comparisons with performance in previous years. See paragraphs 138 and 139 for an explanation.

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Sub-output 2.2—Information and communications technology and broadcast support

214 The Information Technology and Communications Services Group (**ITACS**) aims to provide:

- (a) robust and reliable infrastructure support to the Parliamentary Computer Network (**PCN**) and parliamentary communications systems;
- (b) robust and reliable audiovisual infrastructure to support recording and broadcasting of parliamentary proceedings;
- (c) robust and reliable telephone and telecommunications systems; and
- (d) development and delivery of new information and communications technology or broadcasting products or applications.

Figure 19—Sub-output 2.2—quality indicators

Quality indicators	Measure	Target	Performance
1. High level of critical systems availability	Number and percentage of hours of systems unavailable during scheduled service hours:		
	• information technology infrastructure (computing services)	100% availability	unavailable for 9.2 hrs (0.28%)
	• information technology infrastructure (network)	100% availability	unavailable for 4.9 hrs (0.15%)
	• broadcast support infrastructure	100% availability	unavailable for 5.8 hrs (0.18%)
	• telecommunications infrastructure	100% availability	unavailable for 15.2 hrs (0.47%)
2. Projects meet quality standards and objectives	Projects are delivered:		
	• with clients satisfied with project deliverables	100%	100%
	• on budget (remainder within budget +10%)	95%	86%
	• on time (remainder within 3 months)	80%	14%
	Quality assurance certification	certification continues	certification continues

PART 3—Report on performance**Indicator—High level of critical systems availability**

215 Scheduled service hours are:

- (a) sitting days—24 hours (total of 1,344 hours during the reporting year); and
- (b) non-sitting days—8.00am to 6.00pm (total of 1,920 hours during the reporting year).

Figure 20—Critical systems groupings for reporting purposes

Group	Description
Information technology infrastructure	<i>Critical computing services</i> Access to the OneOffice desktop Standard Operating Environment, email, chamber support systems, networked applications, file and print services, and corporate information services.
	<i>Critical network services</i> Network switches, routers, firewalls and remote access infrastructure (Internet and remote and mobile office availability).
Telecommunications infrastructure	<i>Critical communications services</i> Phones, mobile phones, facsimile, pagers, voicemail and directory services and the broadcast facsimile gateway.
Broadcast support infrastructure	<i>Critical broadcasting services</i> Broadcasting systems, sound reinforcement for chambers and committees, division bells, emergency warning and intercommunication system, House Monitoring Service, clocks and public address system.

216 Availability is defined as critical systems being operational and useable during scheduled service hours. The maintenance required to achieve this target is scheduled outside of scheduled service hours. Clients are given sufficient notice to work around the maintenance period or to request that the maintenance period be deferred. Scheduled maintenance is not counted as downtime.

217 During the reporting period, computing services had a total of 9 hours and 12 minutes of unscheduled downtime during scheduled service hours. The causes of this downtime were as follows:

- (a) The trial in December 2004 of the *IHateSpam* spam management software caused two email queue failures, leading to 2 hours 15 minutes of unscheduled downtime on the affected email server. This would have caused

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some inconvenience for some clients who may not have received new emails during this time.

- (b) Unscheduled downtime of 6 hours 27 mins in February 2005 was due in part to an incompatibility between the latest software under Windows Server 2003, and the software code built into the system hardware (a faulty system board was supplied by the vendor). The general load on the servers also contributed to the downtime. All home servers were affected, especially Home 2, which carries Senators, Members, and the chamber departments.
- (c) Unscheduled downtime during scheduled service hours (30 minutes of a total of 3 hours 28 minutes) was due to factors such as hardware failure and environmental problems such as high temperature in the computer room. The remainder of this time was outside scheduled business hours.

218 During the reporting period, network services had a total of 4 hours and 54 minutes of unscheduled downtime during scheduled service hours. The causes of this downtime were:

- (a) a hardware failure on a computer room network switch which rendered 12 servers unavailable; and
- (b) two separate failures to the network distribution switch (the faulty hardware was replaced).

219 During the reporting period, broadcasting infrastructure had a total of 5 hours and 12 minutes of unscheduled downtime during scheduled service hours. The cause of this downtime was minor interruptions to the House Monitoring Service in July, September and December 2004 while equipment was upgraded as part of the asset replacement program.

220 During the reporting period, communications infrastructure had a total of 12 hours and 40 minutes of unscheduled downtime during scheduled service hours. The downtime occurred because of:

- (a) an upgrade to the PABX in February 2005 which introduced some instability (rectified by the installation of two series of patches); and

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- (b) the need to reset handsets after the software upgrades to the PABX.

221 Post-election activities included telecommunications changes as a result of Senators and Members moving offices. These proceeded without incident.

Indicator—Projects meet quality standards and objectives*Figure 21—Project quality outcomes*

Project Delivery Performance Indicators	Target	2001-02	2002-03	2003-04	2004-05
Number of projects completed	n/a	22	20	25	15
Client satisfaction (%)					
Met business requirements	100	-	-	96	100
Met client expectations	100	-	-	96	100
Communication (stakeholders kept informed)	100	-	-	96	100
Project management competencies	100	-	-	96	100
Value of project management methodology	100	-	-	96	73
Projects delivery (%)					
On approved budget	95	95	75	100	86
On time	80	59	45	52	14

222 Client satisfaction was not measured sufficiently before 2003-04 to provide valid measurements for this table.

223 The number of projects delivered (ie completed) during 2004-2005 was lower than in previous years. This was due to:

- (a) delay in programs of work, such as the ParlInfo Maintenance Release series of projects where a delay in one project delayed several related projects—a number of these projects are expected to be completed early in 2005-06;

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- (b) unavailability of dedicated project staff resources and the impact of operational work; and
- (c) delay in project completion activities—these commence when the final deliverable has been signed off and accepted, and conclude with submission of a project completion report and a project completion quality review.

Client Satisfaction

224 The target for the value of project management methodology was not met because a project sponsor questioned the value of using the methodology for minor acquisitions and enhancements. A review of the methodology is in progress and includes consideration of a more streamlined approach for capital funding of minor asset acquisitions. Project completion reports in 2004-05 indicate that all other client satisfaction targets were met.

Budget

225 Two projects overspent, one by \$4,000 and the other by \$16,000. Both were within 10% of their original budgets. Some projects spent more than their original budgets, having received approval for additional expenditure following variations to their scope, or extensions to their timetables.

Time

226 The target of 80 per cent of projects being delivered on time was not met. Only two projects (13 per cent) were completed within the last approved project end date, and another five projects (33 per cent) within one month of that date. The reasons for project delays were:

- (a) delays in project completion activities (see paragraph 223(c) above);
- (b) product implementation placed on hold to avoid changes to the infrastructure while an infrastructure performance issue was investigated;
- (c) poor estimation of required work;
- (d) failure to identify all project delivery risks; and
- (e) unavailability of project resources.

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227 Measures undertaken to improve the timeliness of project delivery include a project management workshop to improve estimation competencies, and a number of peer reviews of specific project issues and solutions.

228 The ITACS Project Office is investigating project governance and delivery issues and the findings of the review will be used to improve the project management methodology, project management training and project support services.

229 For further information on the major projects undertaken in 2004-05, see paragraphs 345 to 362.

Project Office Accreditation

230 The department was re-accredited under ISO 9001:2000 for its project management quality control system in April 2004, and the next surveillance audit is scheduled for August 2005.

Figure 22—Sub-output 2.2—quantity indicators

Quantity indicators	Measure	Performance
Volume of ICT services required	Number and percentage change in registered information technology users supported on the Parliament House network.	see Figure 23

Indicator—Volume of ICT services required

Figure 23—Registered PCN users

Registered PCN users per year					
Users	2000-01	2001-02	2002-03	2003-04	2004-05
Department of Parliamentary Services	991	993	1,129	1,376	1,350
Department of the House of Representatives	297	319	403	270	264
Department of the Senate	330	312	322	222	232
Members and staff	1,057	1,347	1,491	1,591	1,531
Senators and staff	595	567	645	672	718
Other clients (Finance)	33	7	40	443	450

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231 Users of the PCN are given access to a range of resources such as internet, email, personal storage space and membership to specific groups of common interest. The security model for the parliamentary computing systems ensures that users have access only to the files and systems for which they are authorised.

232 During the four years 2000 to 2004, the number of registered information technology users on the Parliament House network increased by 38.5%. However, this year's average monthly number of user accounts is 0.7% lower than the average for last financial year.

Figure 24—Sub-output 2.2—price indicator

Price indicator	Performance
Total cost of sub-output (information and communications technology and broadcasting support)	\$21.942m

233 There are no comparisons with performance in previous years. See paragraphs 138 and 139 for an explanation.

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Output 3—Building and Occupant Services

Introduction

234 Output 3 aims to provide an efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors.

235 The reporting of performance information for this Output was reviewed during the year and was varied to bring it into line with Department of Finance and Administration guidelines, and the rest of the department. This is a variation on what was published in the 2004-05 Portfolio Budget Statement (**PBS**), but is consistent with the performance information published in the 2005-06 PBS. Performance is assessed using indicators that cover quality, quantity and price. Indicators, performance results and relevant comments are shown against each of the sub-outputs.

Sub-output 3.1—Building occupant services

236 The Security and Facilities Group provides security, health and well-being and facilities management services to occupants of, and visitors to, Parliament House.

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Figure 25—Sub-output 3.1—quality indicators

Quality indicators	Measure	Target	Performance
Security services			
1. Extent to which security procedures are followed	Percentage of reported security incidents dealt with in accordance with agreed procedures	100%	100%
	Percentage of recommendations arising from the validation program that are implemented	100%	83.3%
	Percentage of threat image projections (TIPS) correctly identified by PSS officers conducting x-ray security screening duties	80%	76%
2. Performance of security systems	Percentage of asset replacement program achieved	90%	90%
	Availability of operational systems:		
	• card management system	99.8%	100%
	• radio communications equipment	99.8%	100%
	• x-ray equipment/Walk-Through Metal Detection	99.8%	99.94%
	• CCTV	98.0%	99.84%
	• electronic door locks	99.8%	99.93%
	• satellite stations	99.8%	99.98%
• alarms	99.8%	99.91%	
Facilities management			
3. Client satisfaction	High level of building occupant and/or user satisfaction:		
	• Health and recreation centre	85%	75%
	• Nurses centre	85%	95%
	• Facilities management	85%	93%
4. Effective contract management	Cleaning and catering contractors' performance:		
	• Canberra Queanbeyan Cleaning Services	4/7	6.6/7
	• Limro Cleaning Services	4/7	6/7
	• Hyatt (Members' Guests Dining Room)	4/7	6.8/7
	• Hyatt (Queen's Terrace cafe and Staff Dining Room)	4/7	4/7

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Indicator—Extent to which security procedures are followed

237 While all security incidents were effectively responded to in accordance with agreed procedures, review and updating of procedures occurs on a continuous basis. During the reporting year, the following operational procedures were produced, updated, reviewed or implemented:

- (a) management of mentally disturbed persons;
- (b) perimeter security procedures;
- (c) entry security screening procedures;
- (d) white powder response procedures;
- (e) Loading Dock mail and goods screening procedures;
- (f) improvised explosive device response procedures; and
- (g) demonstration, protest and public assembly guidelines.

238 There were 18 recommendations arising from the security validation program in 2004-05, 15 of which have been implemented.

239 Action has been initiated in relation to the remaining three recommendations:

- (a) Changes to the entry security screening procedures are currently being considered by the Security Management Board (**SMB**).
- (b) Re-configuration of security Points 2 and 3 to more effectively control the flow of traffic from the public to the private areas of the building has been added to the works program for rectification in 2006-07.
- (c) Establishment of access control systems at identified vulnerable points at the Senate and House of Representatives galleries and in the Tom Roberts and Committee pass desk areas. This will require a coordinated, interdepartmental approach endorsed by the Presiding Officers, and is yet to be submitted to the SMB for consideration.

240 TIPS is a system that projects threat images onto some items as they pass through the x-ray screening equipment, in order to test

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the effectiveness of x-ray operators. The system was introduced in October 2004. Parliamentary Security Service (**PSS**) staff recorded an average 76% success rate in identifying TIPS images in the period from introduction to 30 June 2005. PSS staff have demonstrated improved performance against the target and met the required monthly standard on three occasions since the program commenced.

Indicator—Performance of security systems

241 The elements of the asset replacement program that were not completed are the replacement of x-ray machines and the locking cylinder and master keying projects, both of which were in the final stages of tender evaluation at the end of the financial year.

242 The equipment unavailability for 2004-05 was as follows:

- (a) one x-ray unit failed and was off line for a period of five hours from notification of fault;
- (b) the card printer failed on one occasion during the year and was replaced within the four hours required by the contract;
- (c) the CCTV system has been fully operational for the 12-month period, although there were a number of individual camera faults, all of which were dealt with within half an hour of faults being registered; and
- (d) there were some minor availability problems with electric door locks, satellite stations and alarms.

243 In addition to the operational availability targets set for components of the various security systems, there are also continuity targets set for the repair or replacement of faulty equipment. All these targets were met in 2004-05.

Indicator—Client satisfaction (facilities management)

244 The lower satisfaction rating for the Health and Recreation Centre is due to the temporary closure of the swimming pool and relocation of the gymnasium, combined with the increased membership charges. It is expected that satisfaction levels will improve now that repairs to the pool and refurbishment of the Centre are complete and the gymnasium has been returned to the upgraded Centre.

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Indicator—Effective contract management

245 The performance of the cleaning and catering contractors is measured against a set of key performance indicators, with a score of 4 out of 7 being satisfactory.

Cleaning

246 The two cleaning contractors are scored on the following indicators:

- (a) DPS cleaning inspection rating undertaken by Facilities Management staff;
- (b) periodic cleaning costs per quarter;
- (c) consumables/linen costs per quarter;
- (d) cost for damage to building fabric due to contractor carelessness (not fair wear and tear) per quarter;
- (e) customer satisfaction, including customer complaints per quarter;
- (f) compliance with DPS waste, recycling and environmental policies;
- (g) number of re-work instructions issued;
- (h) number of reportable incidents per quarter;
- (i) number of strikes;
- (j) staff training program in place;
- (k) equipment management plan in place and up to date.

Catering—Staff Dining Room and Queen's Terrace cafe

247 The catering contractor for the Staff Dining Room and Queen's Terrace cafe is scored against the following indicators:

- (a) revenue generated;
- (b) comparison of prices against benchmarks;
- (c) client satisfaction rating;
- (d) number of written complaints;

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- (e) number of incidents and accidents;
- (f) cost of damage (caused by contractor carelessness and other than fair wear and tear); and
- (g) compliance with DPS waste, recycling and environmental policies;
- (h) rating by the ACT Department of Health (Health Protection Service) against hygiene standards recommended by the Food Safety Standards under the *Food Act 2001*.

Catering—Members' services, functions and house services

248 The catering contractor for members' services, functions, and house services is scored against the following indicators:

- (a) revenue, gross profit and net profit;
- (b) client satisfaction rating;
- (c) number of written complaints;
- (d) cost of damage to venues (caused by contractor carelessness and other than fair wear and tear);
- (e) compliance with DPS waste, recycling and environmental policies;
- (f) rating by the ACT Department of Health (Health Protection Service) against hygiene standards recommended by the Food Safety Standards under the *Food Act 2001*.

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Figure 26—Sub-output 3.1—quantity indicators

Quantity indicators	Measure	Target	Performance
1. Validation of security procedures	Percentage of security validation program achieved	100%	91.7%
Quantity indicators	Measure	2003-04	Performance
2. Security incidents	Number of reported security incidents	628 incidents	503 incidents:
		194—AFP-PS	194—AFP-PS
		434—PSS	309—PSS
3. Security services	Number of official visits and Parliamentary functions requiring additional security resources	172 official visits	94 official visits
		Not available	318 parliamentary functions
		Not available	243 non-parliamentary functions
4. Nurses centre	Total number of requests for first aid	2,405	1,729
	Total number of first aid requests from Senators and Members	227	106
5. Health and Recreation Centre	Number of members	585	261
	Number of casual visits	4,864	2,183
	Number attended classes	3,623	2,936

Indicator—Validation of security procedures

249 There were 11 security validation exercises conducted during the year from a target of 12. The June 2005 exercise was scheduled to be a combined exercise between the various elements of the parliamentary security services. The exercise was delayed due to coordination and approval issues. It will be conducted in 2005-06.

Indicators—Security and facilities management services

250 There is no cost recovery applied to security services provided for official visits, or to Parliamentary functions. The cost of security services to non-Parliamentary functions is recovered.

251 Security salaries funding includes a component for these events, based on limited historical data. However if these levels are exceeded during the year, the department has to absorb the costs associated with supporting these events. There is also an impact on

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the availability of security staff, resulting in some having to work extended hours to cover the shortfall.

252 Data is now being captured to provide a better understanding of the impact of these events on security funds further, and further information will be reported in the 2005-06 annual report.

Figure 27—Sub-output 3.1—price indicators

Price indicators	Performance
Gross revenue	\$1.728m
Total cost of sub-output (security and facilities management services)	\$36.069m

Sub-output 3.2—Visitor services

253 The Security and Facilities Group provides information, retail and other services for visitors to Parliament House.

Figure 28—Sub-output 3.2—quality indicators

Quality indicators	Measure	Target	Performance
1. Level of visitor satisfaction	Visitor satisfaction survey	85% of surveyed visitors satisfied with Visitor Services	96%
	Visitor services complaints	(4 in 2003-04)	2
	Parliament Shop visitor satisfaction survey	85% of surveyed customers satisfied with the Parliament Shop	92%
	Parliament Shop complaints	(1 in 2003-04)	3

Indicator—Level of visitor satisfaction

254 The Visitor Services complaints involved the information provided by the guides and the manner in which it was delivered. Dealing with the complaints involved:

- (a) confirming that the information was correct;
- (b) talking to staff about dealing with difficult situations; and
- (c) responding to the visitors who had complained.

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255 A common response in the Parliament Shop visitor satisfaction survey was that the range of products is limited. Efforts will be made in 2005-06 to source a more acceptable range of products in order to increase sales against a backdrop of declining customer numbers. The three complaints received were about the manner in which shop staff responded to customers. The issues have been discussed with staff involved and responses provided to those customers who gave contact details.

Figure 29—Sub-output 3.2—quantity indicators

Quantity indicators	Measure	Performance	
		2003-04	2004-05
1. Level of community engagement with Parliament House	Total number of visitors	1,020,529	878,553
	School tours - total number of participants	106,500	107,831
	Open day	6,700	5,614
	Garden tours - total number of participants	649	533
2. Parliament Shop customers	Total number of customers	330,051	308,850
	Percentage of visitors to Parliament House who are customers	32.3%	35.2%

Indicator—Level of community engagement with Parliament House

256 Total visitor numbers to Parliament House in 2004-05 (including school visits) dropped substantially by almost 200,000 people or 14%. The number of visitors to Open Day and those taking the Floriade tours also declined. It is difficult to determine the reasons for the decline in visitors. Overall, visitor numbers in the ACT dropped by 15% from the 2003-04 figures, but other national institutions recorded an increase in visitor numbers, so the drop in our visitor numbers cannot be explained just by reference to the ACT visitor numbers. One factor may have been the extensive security works at the northern area of the building, and the election break, and even the effects of the drought, may also have been relevant.

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257 Open Day was held on 10 July 2005 and attracted 5,614 people; on a normal Saturday in July we would expect to receive around 2,580 visitors. Visitors came from the following areas:

- (a) ACT and region: 25%;
- (b) Sydney and suburbs: 24%;
- (c) international: 22%;
- (d) regional NSW: 8%; and
- (e) other Australian states: 21%.

Figure 30—Sub-output 3.2—price indicators

Price indicators	Measure	Target	Performance
Parliament Shop revenue	Sales	\$1.35m	\$1.28m
	Net profit	\$146,880	\$114,983
	Average spend per customer	\$16.90	\$16.60
Paying tours revenue			\$8,219
Total cost of sub-output (visitor services)			\$2.309m

Indicator—Parliament Shop revenue

258 The drop in visitor numbers to Parliament House had a detrimental effect on Parliament Shop sales and net profit for the year. These were also affected by an additional pay period at the end of the financial year which increased salary costs.

259 These results are counterbalanced to some degree by the 2.9% increase in the percentage of visitors also becoming customers at the Parliament Shop, and the \$0.13 increase in the average spend per customer from \$16.47 in 2003-04.

Sub-output 3.3—Building asset management services

260 The Building Management Group provides asset and environmental management services for Parliament House and surrounds. Performance is assessed using the following indicators that cover quality, quantity and price.

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Figure 31—Sub-output 3.3—quality indicators

Quality indicators	Measure	Target	Performance
1. Extent to which design integrity is preserved	Design Integrity Index	90%	90.7%
2. Extent to which the building condition is maintained	Building Condition Index	89-92%	89%
3. Extent to which the landscape condition is maintained	Landscape Condition Index	90%	85%
4. Condition and ageing of engineering systems	Engineering Systems Condition Index	90%	90%
5. Controlling the potential negative impact on the environment	Electricity consumption	96,951 GJ	91,222 GJ
	Gas consumption	48,641 GJ	42,306 GJ
	Greenhouse gas emissions	28,845 tonnes CO ²	26,716 tonnes CO ²
	Water consumption	256,546kL	194,919kL
	Waste recycled as a percentage of total waste generated	(29% in 2003-04)	39%

Explanation of indicators

261 The Design Integrity Index (**DII**) measures the current design features of Parliament House and surrounds, expressed as a percentage of the original design intent.

262 The Building Condition Index (**BCI**) measures the current condition of the building fabric of Parliament House, expressed as a percentage of the original condition.

263 The Landscape Condition Index (**LCI**) measures the current condition of the landscape surrounding Parliament House, expressed as a percentage of the total possible condition.

264 The Engineering Systems Condition Index (**ESCI**) measures the current operation and condition of the engineering systems in Parliament House against the expected decline of those systems through their life cycles. The system of scoring has been designed so

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that the optimum target of 90 is achieved if all systems are ageing through their life cycle as expected.

Indicator—Extent to which design integrity is preserved

265 Parliament House is divided into eight zones for the purposes of measuring the DII.

266 In each zone, the components of language, symbolism, design order, change and overall impression are examined and given a rating score from 1 to 5. The outcomes for each component are added together to obtain a zone score, the zone scores added to obtain a building score. This score is then expressed as a percentage of the total possible score.

267 The DII assessment for 2004-05 at 90.7 shows no significant increase overall, but does reflect improvement in:

- (a) the tenancy areas, due to the refurbishment of the Queen's Terrace cafe and some Press Gallery suites; and
- (b) external appearance, due to the removal of the temporary white barriers from the grass ramps.

268 The DII assessment also reflects the negative effect of problems caused by the installation of impact resistant glazing film in the Ministerial Wing. Rectification work has commenced on this problem.

269 The Ministerial Wing assessment is likely to remain lower than would otherwise be expected until all the flood damage caused to the Cabinet Suite is rectified.

Indicator—Extent to which building condition is maintained

270 Parliament House is divided into seven zones to measure the Building Condition Index (**BCI**). The seven zones have different condition targets that combine to give an overall score for the Building Condition Index. An external consultant conducts a final measure of the BCI in July each year. In 2004-05 the contractor was Advance FM. The target of 90% has been determined as the optimum balance of condition and cost to achieve that condition, based on external benchmarks.

271 There has been a slight drop in the overall building condition in 2004-05 but it is still within the acceptable range of 89-92%. The

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reduction in condition is expected given the reduction in maintenance expenditure to \$47.76 per m² compared with the 2000-01 benchmark of \$48 per m². Maintenance staff are focussing on maintenance in areas with the lowest condition ratings. This has helped to reduce the impact of falling maintenance budgets on building condition.

Indicator—Extent to which landscape condition is maintained

272 The parliamentary landscape has been divided into eight zones for the purpose of measuring the Landscape Condition Index. The zones have different targets that combine to give an overall score. The scoring is undertaken by DPS staff and the results audited by an external contractor. In 2004-05 the contractor was Advance FM.

273 A 3% drop in landscape condition occurred in 2004-05. The continuing drought and its accompanying water restrictions have resulted in losses of over 5,000 trees and shrubs and 2ha of turf in the outer landscape. In addition, construction work on the security enhancement project has resulted in the disturbance of landscape elements around Parliament Drive. The completion of this construction project will see these landscape elements restored to pre-construction conditions thus improving the Landscape Condition Index in 2005-06.

274 The Australian Capital Territory has experienced less than average rainfall to the end of June and water restrictions are expected to remain in force for the foreseeable future. Recovery of the outer landscape cannot begin until restrictions are removed or a non-restricted source of irrigation water is available. A water strategy is being developed.

Indicator—Condition and ageing of engineering systems

275 To arrive at the Engineering Systems Condition Index (**ESCI**), 33 elements are monitored 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 2004-05, Advance FM and an ACT engineering firm, Rusden Consulting, audited the ESCI.

276 The engineering systems were found to be in very good operational condition for their age. There are significant systems that are reaching the end of their functional life. The administered asset

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replacement program has sufficient funds to replace these assets but as the building approaches its twentieth year of operation, additional funds are likely to be required.

Indicator—Controlling the potential negative impact on the environment

277 The total energy used within Parliament House during the reporting year was the lowest since the building opened in 1988. This result was due to a combination of energy savings measures and an election year, the latter resulting in substantially fewer sitting days for the Parliament than in 2003-04 (87 in 2003-04 and 53 in 2004-05).

278 DPS is reviewing our energy strategy to reduce long-term energy use and greenhouse gas emissions. The strategy is expected to be completed in 2005-06.

279 The Australian Capital Territory continued to experience lower than average rainfall throughout 2004-05. In response to low water levels in Canberra's dams, stage 2 restrictions were implemented for autumn and winter and stage 3 restrictions were implemented for spring and summer. Parliament House complied with these restrictions, saving 42% of its normal water use in the landscape. The Parliament's water usage for 2004-05 was 195ML. This is the lowest annual water consumption since the building opened in 1988.

280 Reduction in water use was achieved by:

- (a) reduced irrigation across all landscape areas, including turning off irrigation in the outer landscape under stage 3 restrictions;
- (b) turning off water features;
- (c) ceasing external building cleaning programs;
- (d) replacing shower heads in all Senate suites with AAA rated shower heads; and
- (e) installing dual flush toilets and waterless urinals in the public car park toilets.

281 An increasing proportion of our waste was recycled rather than going to landfill. However, the figure of 39% of total waste recycled compared with 29% in 2003-04 is partly attributable to new

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requirements on our building contractors to deal with construction waste generated by their projects. As a result, construction waste is no longer included in our total waste figures, which provides an immediate improvement in our recycling result.

Figure 32—Sub-output 3.3—quantity indicators

Quantity indicators	Measure	Target	Performance
1. Maintenance of plant and building fabric	Percentage of planned maintenance achieved	85%	89%
2. Extent to which planned maintenance prevents breakdown	Ratio of planned maintenance to breakdown responses	85:15	84:16
3. Number of help desk calls	Total number of calls	(5,709 in 2003-04)	4,849
4. Business plan implementation	Percentage of key actions achieved	85%	89.9%

Indicator—Number of help desk calls

282 The 4,849 calls to the Building Management help desk resulted in 4,057 work orders being generated to rectify problems identified. This occupied 16% of the Maintenance Services section's total work in 2004-05.

Figure 33—Sub-output 3.3—price indicators

Price indicators	Measure	Target	Performance
1. Cost-effective maintenance	Maintenance cost per m ²		
	• building fabric	\$19.89	\$19.48
	• engineering systems	\$28.68	\$28.28
	• landscape	\$ 8.79	\$ 8.72
2. Cost-effective use and purchase of energy	Energy cost per m ²	\$10.62	\$10.23
3. Cost-effective use and purchase of water/sewage services	Total cost	\$697,869	\$596,190
Total cost for sub-output (asset management services)			\$21.803m

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Indicators—Maintenance, energy and water/sewage costs

283 The maintenance, energy and water/sewage service costs were within budget and slightly lower than targets.

Administered items

284 The Building Management Group manages the administered items output, using administered funds to plan and deliver:

- (a) a building works program designed to replace administered asset components, change asset functionality or extend the useful life of assets;
- (b) a conservation and replacement program for furniture that was designed and built specifically for Parliament House (status B furniture);
- (c) an artworks conservation program; and
- (d) an art acquisition program for the Parliament House Art Collection and the Historic Memorials Collection.

285 These programs are to support the operation of Parliament into the future, while at the same time preserving the design integrity of the architecture, engineering systems, art and landscape that make up Parliament House.

286 These programs contribute to some of the indicators in sub-output 3.3 and these are reproduced in Figure 34 below, along with indicators specific to the administered items.

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Figure 34—Administered items—quality indicators

Quality indicators	Measure	Target	Performance
1. Extent to which design integrity is preserved	Design Integrity Index	90%	90.7%
2. A quality standard is applied to building works programs	ISO AS/NZS 9001:2000	continuing certification	certification is current
3. Extent to which projects meet quality standards and objectives	Client satisfaction ³	90%	90%
4. Extent to which status B furniture is preserved	Furniture Condition Index	75%	72%
5. Extent to which the art collection is preserved	Percentage of artworks conservation program achieved	see paragraphs 289 and 290	

Indicator—Extent to which status B furniture is preserved

287 Parliament House has been divided into 6 zones for the purposes of measuring the Furniture Condition Index (**FCI**), and each zone has been given a benchmark condition to be achieved in order to meet the overall target. The target for 2004-05 reflects that a management strategy for status B furniture has only been in place for two and a half years. It will be approximately another two years before the condition and target can be brought into line with the other condition indices.

288 The average score in areas where DPS is responsible for furniture maintenance and conservation for 2004-05 was 72%, up one percent from June 2004. The changes in the zone scores from last year are as follows:

- (a) the five special suites—69%, up from 67% due to the Cabinet Room furniture conservation and replacement following the flood in April 2004;
- (b) the parliamentary chambers—72%, steady;

³ Client satisfaction is measured by reference to feedback sought from the client, and from Building Management Group staff, at the completion of the project.

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- (c) the ceremonial areas and entrances—72%, up from 62% due to Mural Hall lounge replacement;
- (d) the public areas—66%, down from 68% due to general wear and tear;
- (e) the function areas, restaurants and cafeterias—68%, up 2% due to the table maintenance program in the Members’ Guests dining room; and
- (f) the general circulation areas under DPS control, including lunchrooms, gymnasium and courtyards—86%, up from 76% two years ago due to bronze framed and upholstered furniture refurbishment.

Indicator—Extent to which the art collection is preserved

289 While conservation work on outdoor sculptures and some paintings was undertaken during the year, the primary focus was to review the conservation program for artworks at Parliament House.

290 The review has proposed that using the relative significance of individual works in the collection is a better basis than asset valuation for allocating resources and undertaking conservation activities. The review has also provided a more accurate assessment of the likely costs of future conservation work. The percentage of the revised program achieved (target 85%) will become the primary indicator for the extent to which the collection is preserved.

Indicator—Extent to which projects are completed on time

Figure 35—Administered items—quantity indicators

Quantity indicators	Measure	Target	Performance
1. Extent to which projects are completed on time	Projects are delivered to agreed timetables	95%	93%

291 Two of the 28 projects completed in 2004-05 were not completed to the agreed timetable. This was because:

- (a) minor design omissions on the replacement Uninterrupted Power Supply for the main computer room resulted in delays in construction; and
- (b) the contractors failed to meet the client’s timeframe for the construction of the disabled suite in the House of

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Representatives. The suite was ready for occupancy on time with some minor outstanding work being completed the next day.

Figure 36—Administered items—price indicators

Price indicators	Measure	Target	Performance
1. Extent to which projects are completed within budget	Total expenditure is within the original approved total budget, subject to increases for latent conditions or change of scope	100%	100%
2. Extent to which administered funds are expended	Percentage of approved administered funds expended		
	• Security enhancement		92.4%
	• Other administered		61.9%
	• Art services		26.5%

Indicator—Extent to which projects are completed within budget

292 For 2005-06, the extent to which projects are completed within budget will be reported on an individual basis as well as for the total expenditure.

Indicator—Extent to which administered funds are expended

293 The low percentage of “Other administered” funds expended reflects that two projects worth \$4.5m did not progress to a stage where funds were expended. This is, in part, due to the security enhancement projects absorbing two full-time equivalent existing staff resources, and to an ongoing staff shortage. A review of staffing requirements has been conducted but consideration has been suspended until the departmental restructure is complete. In the interim, two temporary staff will be recruited.

294 The low percentage of “Art services” funds expended reflects the reduction of conservation undertaken during the year while the review of the conservation program for artworks at Parliament House was conducted. A tender for a significant portion of the 2004-05 program was advertised in August 2005.

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Effectiveness in achieving the planned Outcome

295 DPS's Outcome is that occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

Occupants of Parliament House are supported by integrated services and facilities ...

296 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.

297 The services and facilities provided by DPS are reviewed on a regular basis. The provisions of the new certified agreement will provide a further opportunity to review services and make changes where this is both appropriate and efficient.

Parliament functions effectively ...

298 Parliament's operations have continued to run smoothly to the extent that this is within the control of DPS. Our particular contribution includes:

- (a) ensuring the security of the building, including the Chambers in particular, and of building occupants;
- (b) providing a suitable venue for parliamentary activity through building maintenance and provision of building services; and
- (c) providing Hansard and library services to enable members of Parliament to contribute effectively to parliamentary activities.

... and its work and building are accessible to the public

299 In 2004-05, DPS facilitated access for the general public to the work of the Parliament and its building by:

- (a) providing 963 hours of chamber broadcast;

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- (b) providing 1,479 hours of committee broadcast;
- (c) providing print-ready Hansard transcripts on the DPS Internet site and the web interface to ParlInfo (which received 7.16m hits);
- (d) hosting 878,553 visitors, including 107,831 school children;
- (e) hosting 5,614 visitors to the Parliament House Open Day;
and
- (f) providing Floriade courtyard garden tours to 533 participants.

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A—Ecologically sustainable development and environmental performance

300 DPS facilitates and coordinates sustainability issues on behalf of all the Parliamentary departments.

301 This report, prepared in accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, addresses ecologically sustainable development (**ESD**) and environmental performance for 2004–05 for all parliamentary departments.

DPS's activities and administration of legislation

302 Paragraph 516A(6)(a) requires DPS to report on how our activities, and any administration of legislation by DPS, accorded with the principles of ecologically sustainable development.

303 The agencies occupying Parliament House do not manage, coordinate or administer any legislation on behalf of the Commonwealth that has any direct environmental impact. However they do comply with Commonwealth and Territory (ACT) environmental legislation and with State legislation where applicable.

304 DPS places a significant emphasis on environmental performance, and its senior management has demonstrated their commitment to it by including two references in the Corporate Plan 2004–07. Those references require DPS to:

- (a) lead by example in environmental management; and
- (b) balance environmental, social, financial and operational considerations when making decisions.

Contributions of outcomes

305 Paragraph 516A(6)(b) requires DPS to report on how the outcomes specified in an Appropriations Act for the reporting period contribute to ecologically sustainable development.

306 The outcomes of the parliamentary departments, specified in the Appropriations (Parliamentary Departments) Acts for 2004-05, are as follows:

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- (a) **Department of Parliamentary Services:** Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.
- (b) **Department of the Senate:** Effective provision of services to support the functioning of the Senate as a House of the Commonwealth Parliament.
- (c) **Department of the House of Representatives:** The House of Representatives fulfils its role as a representative and legislative body.

307 None of these outcomes directly contributes to ESD. However, Output 3.3 as specified in the DPS Portfolio Budget Statement requires reductions in energy and water consumption and greenhouse gas emissions, and improvements in the rate of recycling at Parliament House. These required outcomes assist ESD by reducing the environmental effect of parliamentary operations.

Effect of activities on the environment

308 Paragraph 516A(6)(c) requires DPS to report on the effect of our activities on the environment.

309 In the course of its operations, the Parliament has negative impacts on the environment through the consumption of electricity, natural gas, diesel fuel, paper and other materials, through the generation of waste and through water usage.

310 Parliament House does not occupy a site of significant environmental heritage or environmental conservation value for the purposes of the *Environment Protection and Biodiversity Conservation Act 1999*.

311 DPS reports environmental performance using the international reporting guidelines outlined in the Global Reporting Initiative (**GRI**). The Parliament House 2004-2005 Environmental Performance Report is available from the DPS web site environmental portal at <http://www.aph.gov.au/DPS/building/EMS/index.htm>.

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Measures to minimise environmental impact

312 Paragraph 516A(6)(d) requires DPS to report on measures taken to minimise the impact of environmental activities on the environment.

Energy saving

313 In 2004-2005 the following initiatives were implemented in order to reduce energy consumption:

- (a) a major upgrade of the air conditioning controls was completed;
- (b) new, more energy-efficient light fittings were installed in the basement corridors; and
- (c) the policy on computer operation was changed to recommend that all computers, monitors, printers and associated equipment are turned off at night.

314 DPS continued to purchase 10% green energy to reduce greenhouse gas emissions resulting from Parliament House's energy use.

315 The Department of the House of Representatives has an energy saving policy that requires departmental staff to conduct an inspection of all Members' suites at the end of each fortnightly sitting period to turn off all electrical equipment and lights that have been left on. They also check that taps are not left dripping.

Water use

316 To reduce potable water consumption, five waterless urinals were installed in the public underground car park as a trial of alternative technologies. A second system that uses microbial bacteria cubes is currently being trialled in three urinals in the private areas of Parliament House. The results will be reported in 2005-06.

Recycling and waste management

Paper saving/recycling

317 The Presiding Officers agreed to substantially reduce the printing of paper copies of weekly Official Hansards, except for copies for eligible libraries and those used in the production of Bound

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Volume Hansards. Former recipients were provided with instructions for accessing electronic copies with full search functionality via the Parliament of Australia web site. As a result, it is estimated that the equivalent of up to 20,000 reams of paper could be saved over a full 12-month period. It is recognised, however, that some former recipients will themselves print copies of Hansard from the website, thus reducing the total benefit to the environment.

318 The operation and output of the Senate Print Room was reviewed. This resulted in a rationalisation of printing and copying equipment, the selection of more appropriate equipment, and other system changes. Anecdotal evidence suggests that these changes have also resulted in a reduction in the number of copies of committee briefings, minutes and reports being produced.

319 During the year, some committees in the Department of the House of Representatives decided to distribute committee documentation electronically, resulting in a reduction in the volume of paper used in and by those committees. A new electronic system (COMMDOCS) that will dramatically change the way records are produced, distributed and maintained by House of Representatives committees is currently being tested.

320 A survey of building occupants indicated a willingness to use double-sided printing. As a result, printers in DPS were converted to default to double-sided printing. The conversion resulted in approximately a one-third reduction in the consumption of paper in DPS between 1 February and 30 June 2005. Consultations are taking place about converting the rest of the Parliament House printer fleet during 2005-06.

321 Paper recycling rates continued to improve, with over 320 tonnes of paper and cardboard being diverted from landfill in 2004-05. A waste audit conducted at Parliament House in March 2005 found that an estimated 63% of all paper and cardboard is now being recycled.

Other recycling

322 A co-mingled recycling trial was undertaken on the Senate side of Parliament House during the second half of 2004-05. Five indicators of success were developed and these, along with the results achieved to date, are shown in the table below.

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Figure 37—Co-mingled recycling trial—indicators and results

Indicator	Result
1. At least 25% of the co-mingled waste collected during the trial is clean of contamination	85% was clean
2. At least 25% of the total waste generated in the trial areas is separated by occupants for co-mingled recycling	32% of waste was separated for co-mingled recycling
3. The trial does not result in the Loading Dock staff workload increasing to a cost-prohibitive level (more than 10%)	Loading Dock staff advised that removing the bins was not causing an adverse impact on their workload, and caused no labour cost increases for the Loading Dock. It is suggested that there will be some workload impact if co-mingling is extended across the whole building
4. The trial does not result in any cost increase for the cleaning contractor	The cleaning contractor reported that they had not experienced a big increase in workload from the trial, but expect a further increase if the trial is expanded. The contractor has reserved the right to review the impact of co-mingled recycling on their operations.
5. The amount of waste going to landfill is reduced and the costs reduced as a direct result	Between February and end April 2005, 450Kg of recyclable material was recovered through the co-mingling trial. Analysis indicated that this represented 32% of the potentially recoverable co-mingled materials. The financial saving was negligible because of increased transport costs under the current uncontracted trial arrangements, but the savings are expected to increase as landfill costs escalate and a contract can be put in place. The amount of waste going to landfill has been reduced.

323 Further investigation and analysis is required on Indicators 3 and 4 and this will be a factor when DPS is considering a proposal to extend the co-mingled recycling trial to the rest of Parliament House during 2005–06.

324 Printer cartridge recycling was actively promoted to building occupants in 2004–05, resulting in 1,317 kg of toner cartridges

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being recovered and recycled from Parliament House. Cartridge recycling opportunities were extended to the electorate offices, with 2,393 kg of cartridges being recovered and recycled from them. This resulted in a total of 3.7 tonnes of cartridge materials being removed from the waste stream over the reporting year, saving \$222 on landfill charges.

Purchasing

325 During 2004–05 the parliamentary departments complied with the *Commonwealth Procurement Guidelines (CPGs)*, and in particular Department of Finance Guideline No 10—*Guidance on Complying with Legislation and Government Policy in Procurement*. This aims to ensure procurement decisions take into account a whole-of-life approach, and consider the Department of Environment and Heritage *Green Purchasing* guidelines.

326 During the year, the purchase of technology by the Department of the Senate focussed on minimising resource consumption (including power), reusability and recycling of equipment at the end of its life, and having suppliers take back packaging for reuse or recycling. Similar considerations were built into the selection criteria to select a new computer fleet for the Parliament, and photocopiers and fax machines for DPS.

327 Further amendments were made to the Parliament House Site Book, which specifies requirements and expectations of persons and companies doing work under contract to DPS. The principal change involved the development of a Contractor Environmental Management Plan (CEMP), proformas and information or instruction sheets to assist contractors.

328 The House of Representatives bulk paper contract was amended to require paper with a 10% recycled content to be supplied.

Communication and promotion

329 To promote sustainability issues in Parliament House, four short videos on waste management were prepared. When finalised, these videos will be shown periodically on the in-house television system, to remind building occupants of the facilities available to assist in better recycling and resource recovery.

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330 The environmental portal, accessible through the Parliament House web site

<http://www.aph.gov.au/DPS/building/EMS/index.htm>, facilitates access to environmental information relating to operations at Parliament House. The site is updated periodically, and informal feedback suggests that the portal is a useful medium for communicating environmental issues and outcomes.

Mechanisms for review etc

331 Paragraph 516A(6)(e) requires DPS to identify mechanisms for reviewing and increasing the effectiveness of measures to minimise the impact of activities on the environment.

332 The DPS Environmental Management System (**EMS**) measures the effectiveness of DPS's efforts to minimise the environmental impact of its operations. This is achieved through:

- (a) regular meetings of the DPS Environmental Management Committee;
- (b) quarterly reporting of environmental performance against set targets; and
- (c) regular reviews of the EMS documentation

333 In 2004-2005 the DPS EMS Legal Compliance Register was reviewed and updated.

334 Environmental aspects and impacts training was provided by DPS staff to middle and senior management staff in the Department of the Senate as part of the process involved in undertaking an Environmental Impact Review for the Department of the Senate.

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

- (a) further reducing the volume of waste going to landfill;
- (b) increasing the recycling of materials removed from Parliament House;
- (c) reducing water consumption both on the landscape and inside the building;

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- (d) reducing reliance on potable water and gaining access to recycled water;
- (e) implementing recommendations contained in the EMS; and
- (f) improving recording and monitoring of environmental issues.

336 Further work is still required to have a common endorsed EMS for the Parliamentary Service.

B—Health and Recreation Centre refurbishment

337 As part of the ongoing asset management strategy for Parliament House, DPS commissioned a structural engineering report of the swimming pool in the Health and Recreation Centre. The report identified a possible failure of the waterproof membrane, with visible signs of corrosion in the swimming pool crawl space. The report recommended remedial action to ensure the future life of the pool.

338 In addition, fixtures and fittings (light fittings, tapware, toilet flushing systems) throughout the facility were beginning to age, requiring additional maintenance effort.

339 These circumstances led to the first major refurbishment of the centre since the opening of Parliament House in 1988. While the main focus of the project was the replacement of the swimming pool's waterproof membrane, other works included:

- (a) repairs to the underside slab of the swimming pool;
- (b) upgrading of the swimming pool lighting system;
- (c) replacing all tiles to the swimming pool and all floor tiles to the facility;
- (d) replacing the spa and upgrading associated equipment;
- (e) upgrading the swimming pool balancing tank and some associated hydraulic pipework;
- (f) upgrading air flows to the squash courts;
- (g) upgrading disabled access to the swimming pool and spa;

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- (h) upgrading the change rooms (including those for people with disabilities);
- (i) upgrading all showers and handbasins with water efficient fittings and installing dual flush toilets and waterless urinals within the change rooms;
- (j) rebuilding the shower cubicles to rectify structural damage to internal walls;
- (k) upgrading the manager's office space, lunch room and reception counter and service area;
- (l) upgrading the gym equipment storage space and replacing carpet; and
- (m) repairing or refurbishing external doors and windows and painting throughout.

340 Refurbishment commenced in mid-December 2004 and was completed in August 2005. The approved cost was \$2.04m.

341 The Health and Recreation Centre equipment, and some activities, were relocated to the space behind the Staff Dining Room during the building period.

C—41st Parliament preparations

342 The 40th Parliament was prorogued on 31 August 2004 and the 41st Parliament commenced on 16 November 2004. Election periods, like other breaks between parliamentary sittings, provide DPS with opportunities to conduct work that would otherwise affect the provision of services to Senators, Members and their staff. As well, elections result in changes to membership of the Senate and the House of Representatives, and this requires a range of support services to assist with the departure of outgoing Senators and Members and the arrival of new Senators and Members.

343 The following are some of the more substantial tasks undertaken by DPS between the prorogation of the 40th Parliament and the commencement of the 41st Parliament:

- (a) commission and decommission workstations, telephones and facsimiles;
- (b) develop the new parliamentary communications directory;

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- (c) upgrade the House of Representatives broadcasting control room;
- (d) update the configuration management database with asset movements;
- (e) Update the IT Service and Request Management System, Hansard Production System and broadcasting control rooms with information about new Senators and Members;
- (f) develop information and research briefs on possible key issues expected to arise during the 41st Parliament;
- (g) review and update DPS content on the APH website;
- (h) familiarise security staff with recognition of new Senators and Members;
- (i) administer signage, lock and key changes to Parliament House suites;
- (j) undertake furniture and artworks movements across Parliament House;
- (k) prepare for IT archiving services and movement of personal effects for outgoing Senators and Members;
- (l) prepare induction material, including a new consolidated Parliamentary Services Directory and information packages for new Senators and Members; and
- (m) prepare for ceremonial activities as part of the commencement of the 41st Parliament.

344 For the first time, these activities were coordinated by DPS as a single project, which resulted in the identification of some critical interdependencies and linkages.

D—Information and communications technology—system improvements and problems

Security policy

345 Considerable work has been done on updating DPS's information technology security policy and in upgrading network security to enable the Parliamentary Computer Network (**PCN**) to

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meet the minimum security standards set by the National Computer Security Authority, Defence Signals Directorate.

346 While leaving the internal operation of the Parliamentary Computer Network essentially unchanged, the model hardens the PCN Internet gateway and provides a layered approach to network security across the network, consistent with best practice security management.

347 DPS also commenced a number of initiatives to mitigate the impact of malicious software on the PCN.

Electorate offices—slowness in systems

348 In May 2003, a number of Senators, Members and electorate office clients reported slowness with electorate office systems, such as email freezing, slow web browsing, and slow printing. In response, DPS convened a working party with members from DPS, Microsoft, Optus and Dimension Data to work on resolving the problem.

349 A variety of changes recommended by the task force have been implemented in electorate offices and the PCN. These changes have markedly reduced the incidence of applications freezing and slowness experienced by electorate office users. Slow response times are now limited to situations when users download large amounts of information from Parliament or the Internet to electorate offices with slow links to the network, such as ISDN. DPS and the Department of Finance and Administration (and their network provider Optus) are working on further measures to better manage the available bandwidth to electorate offices.

Email management

350 High volumes of email are received by Senators and Members, and the need for methods to better organise mail received in the Outlook inbox became a part of the information and communications technology enhancements for the 41st Parliament Project (41P). The 41P project delivered a number of enhancements in response to client requests. These include the following:

- (a) A set of default inbox folders to assist in classifying, prioritising and handling email.

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- (b) A trial of anti-spam software which allows users to determine which material they will accept. The software identifies spam email using certain criteria (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 material for subsequent review.
- (c) Encoding the email addresses published on the APH website for all Senators and Members, making them more difficult to be harvested by automated software seeking to generate bulk spam emails.

351 A project to investigate and implement an enterprise-wide solution for spam management is in progress. This will assist Senators and Members with separating spam mail from valid external mail.

Broadcasting Services Asset Replacement Strategy

352 DPS has a Broadcasting Services Asset Replacement Strategy (**BSARS**). BSARS is a major initiative to implement a new and improved suite of processes, information systems and technology for broadcasting and related services within the Parliament as part of the asset replacement program.

353 The BSARS project portfolio sets out asset replacement projects to be carried out over the next four years. Initial projects under the BSARS program include a replacement of the Webcast system and provision of digital widescreen feeds of parliamentary proceedings into the distribution system, including to media bureaux.

*Chamber Local Control Room (**LCR**) Audio system*

354 The chamber LCR audio systems are used to provide sound reinforcement in the chambers and to broadcast parliamentary proceedings. A project was initiated in January 2002 with the aim of replacing existing ageing and unsupported audio systems in both chambers and to improve serviceability and audio quality.

355 The new Senate system was installed in December 2004 in such a way that a rollback to the old system would have been possible, if required. The House of Representatives Audio Desk was installed during the 2005 winter break.

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HMS Head End Replacement and Expansion Project

356 The upgrade of the head end equipment in the House Monitoring Service (**HMS**) broadcasting transmission equipment is almost complete. The project has replaced ageing equipment, provided some capacity for future expansion and laid the foundation for the future introduction of digital television on the HMS. As part of this activity, the channel allocation on the HMS has been improved, with the addition of some extra content.

Senators' and Members' Services Portal

357 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, has been designed to be responsive to the key service needs of users.

358 Since the commencement of the 41st Parliament, SMSP has been available to all Senators and Members through an automatic startup. Its functionality has been improved to include progressive loading of Hansard transcripts.

ParlInfo

359 New versions of ParlInfo Web and ParlInfo Full Client were released into production in April 2005. They included significant upgrades to the search engine component and underlying operating systems. Key improvements included:

- (a) the ability to generate Word and PDF extracts of Hansard transcripts; and
- (b) Permalinks—which make available a permanent URL to every ParlInfo Web document for citation purposes.

360 Despite extensive testing a number of problems were experienced, particularly in Hansard and the Parliamentary Library. A small team has been developing short- and longer-term solutions to the problems.

361 The increasing complexity of the ParlInfo system, and its dated technology base, has prompted a DPS decision to carry out a strategic review of its future during 2005-2006.

Events in Progress

362 The “events in progress” television channels allow the chamber Table Office staff to place information about proceedings in the chamber on TV screens. Parallel channels were created (Channels 2, 4 and 6) which provide information such as the stage of the bill and the question before the House; this allows for a more informed Parliament.

E—Review of furniture procurement processes

363 During early 2004, several complaints were made by DPS’s contractors or subcontractors about aspects of our procurement processes for special furniture for Parliament House.

364 As well, queries were raised about aspects of those processes during an estimates hearing of the Senate Finance and Public Administration Legislation Committee in May 2004.

365 Accordingly, the Secretary commissioned Mr Stephen Skehill, Special Counsel, Mallesons Stephen Jaques, to review procurement activities in relation to several projects to replace Parliament House furniture that had been the subject of critical comment from external participants.

366 The complaints and queries centred around two aspects of recent furniture procurement processes:

- (a) the processes by which the Joint House Department and then DPS chose and sourced leather for use in making furniture (mainly chairs) to replace original furniture made for Parliament House, with specific reference to the use in some cases of imported rather than Australian leather; and
- (b) the processes surrounding contracts for the supply, in two batches, of chairs to replace a particular kind of original chair, with specific reference to the relationship between the successful tenderer to supply the chairs and a firm that had been subcontracted to supply the first batch of chairs.

367 The terms of reference for Mr Skehill’s review were as follows:

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The review is to examine the procurement and related processes involved in the furniture procurement projects listed in Schedule 1 and report on:

- (a) whether those procurement projects complied with the applicable *Commonwealth Procurement Guidelines* and if not, the nature and extent of that non-compliance;
- (b) whether those procurement projects complied with:
 - (i) the applicable Chief Executive's Instructions (CEIs) and Chief Executive's Procedures (CEPs); and
 - (ii) any other applicable Joint House Department (JHD) or Department of Parliamentary Services (DPS) policies;and if not, the nature and extent of that non-compliance;
- (c) whether there is evidence of any lack of probity on the part of DPS, JHD or any staff member in connection with any of those procurement projects;
- (d) whether any issues arising in the course of the review should be addressed in the CEIs and CEPs, or other policies and procedures, currently being developed by DPS, and if so, how those issues should be addressed;
- (e) any other issues that the reviewer considers should be mentioned in the report.

368 Mr Skehill conducted his review by examining DPS files and interviewing a number of DPS staff. His findings were as follows (the names of individual people and firms involved have been omitted):

2.1 The claims made by [name omitted] do not warrant any adverse finding against DPS or its present or past officers because those claims are either:

- (a) factually incorrect; or
- (b) unreasonable in all the circumstances; or
- (c) unsustainable by reference to the evidence.

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2.2 There is no evidence whatsoever of any impropriety in relation to any of the purchasing activities that have been examined in the course of this review and, in particular, there is no evidence to support, let alone sustain, the claim that the reasons for rejecting the Australian leather tendered for use in the black leather furniture group were “contrived because of commercial interests”.

2.3 The decision to reject the Australian leather tendered for use in the black leather furniture group was rational and reasonable, and was taken only after the Australian manufacturer had been given extended opportunities to improve its tender offering above that originally put forward.

2.4 The decision to engage CSIRO Leather Research Centre to test the Australian leather tendered for use in the black leather furniture group was reasonable notwithstanding that this facility may not have been accredited, and neither its test methodologies nor its test results have been shown to be wrong.

2.5 No breach of any of the:

- (a) Financial Management and Accountability Regulations;
- (b) *Commonwealth Procurement Guidelines*;
- (c) *DPS Chief Executive Instructions*; or
- (d) *DPS Chief Executive Procedures*

in relation to any of the purchasing activities that have been examined in the course of this review adversely affected the relevant purchasing decisions.

2.6 Such breaches as may have occurred, while they cannot be condoned, were minor and inconsequential. Greater care needs to be taken by DPS to ensure complete compliance with all formal requirements in its future purchasing activities.

2.7 Further, the standard of a number of the files maintained by DPS in relation to certain of the activities examined in this review has been below an acceptable level, with some files being incomplete and disorganised and some notable activities and facts not being documented. While these defects have not on this occasion precluded a proper examination and

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resolution of the claims made by [name omitted], that is more by good luck than good management.

2.8 It is apparent that steps need to be taken within DPS to reinforce amongst its officers a better understanding of the requirement for, and desirability of, strict compliance with all requirements of the applicable legislation, the *Commonwealth Procurement Guidelines* and DPS' Chief Executive Instructions and Chief Executive Procedures. In particular, it is evident that the standard of DPS documentation and file keeping requires some attention. Unless these defects are remedied, DPS and its officers run the risk that they may not be able to adequately respond to, or disprove, any future complaints of a like nature to those considered in this review.

2.9 Notwithstanding these problems, however, this review has not disclosed any more fundamental flaw in the conduct of DPS procurement activities in the Projects that have been subject to scrutiny in the course of it. In particular, there is no evidence:

- (a) of any lack of propriety on the part of DPS officers;
- (b) that DPS did not secure value for money in its eventual decisions; or
- (c) that the complainant firms [names omitted] were unfairly dealt with in any way by DPS.

Indeed, in my view each was afforded greater opportunity than that which was required by any applicable standard.

369 In response to those findings, policies and guidelines are being developed for improved record-keeping in DPS, with a view to ensuring in particular that decisions, and the reasons for them, are properly recorded and the documents are properly filed. As well, the issue of documenting decisions has been considered as part of our work on risk management for the department as a whole.

PART 5—Management and accountability**PART 5—Management and accountability****Overview**

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

Corporate governance*Introduction*

371 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.

372 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 outlined below.

*Committees advising the Presiding Officers***Joint House Committee**

373 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 327 respectively. The two committees meet jointly as the joint House Committee.

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

Joint Library Committee

375 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

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Library's role, including client services and corporate planning, and on performance and evaluation matters.

Presiding Officers' Information Technology Advisory Group

376 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

DPS committees

Audit Committee

377 One of the primary mechanisms for testing departmental frameworks and controls is through the internal audit program, overseen by the DPS Audit Committee. The Secretary has appointed an independent chair of the Committee and the Deputy Secretary and three Assistant Secretaries as members.

378 The functions of the Committee are set out in DPS Governance Paper No. 7, issued in August 2004. These are to:

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

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- (h) identify and disseminate good practices.

379 Much of the audit committee's work in 2004-05 has revolved around a compliance audit program that has reviewed most of the department's major control mechanisms. The program has tested both the policies and application of these control mechanisms and provided advice on improvements and further development.

Executive Committee

380 The Secretary is assisted in the management of the Department by the Executive Committee which includes all the SES staff of the department. This committee is the primary approving authority for the development and implementation of the DPS governance framework and associated processes, including risk management and business planning. The committee also deals with a range of policy matters in areas such as OHS, environmental issues, and departmental organisation.

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

Finance Committee

381 During the year a Finance Committee was established that consists of the Secretary, the Deputy Secretary and the Chief Financial Officer. The Parliamentary Librarian, when appointed, may become a member of that committee, but this will depend on the detail of the resource agreement between the Secretary and the Parliamentary Librarian, in particular the degree of integration of the Library's budget with the budget for the rest of DPS.

382 The role of the Committee is to:

- (a) allocate annual budgets, and reallocate funding during the year as required;
- (b) monitor financial performance, including consideration of monthly reports;
- (c) allocate asset replacement and administered funds; and
- (d) monitor the progress of approved projects for expenditure of asset replacement and administered funds.

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383 The committee commenced regular meetings in February 2005. Its first major tasks were decisions on project funding for 2005-06 and more generally the allocation of the 2005-06 DPS budget.

Other governance matters

Risk management policy and framework

384 The former departments had varying levels of risk management integrated in their governance arrangements. In order to gain a common approach across DPS, the Secretary initiated development of a replacement risk management policy and framework. The aim is to ensure that:

- (a) all significant risks faced by DPS are understood and properly managed;
- (b) DPS's Executive and SES staff have a common understanding and approach to risk management;
- (c) all staff are aware of DPS's risk management approach and practices; and
- (d) risk assessment and risk management are integral parts of the decision-making process in DPS.

385 An extensive consultation process with the Groups, followed by Executive Committee consideration, has resulted in the development of an agreed risk management policy and framework. This was approved by the Executive Committee in June 2005.

386 Implementation of the policy and framework commenced concurrently with its development. The Executive Committee has so far met three times, and further meetings are scheduled, to consider strategic risks faced by the department. Risks identified have been documented and assessed, and further treatments are currently being considered.

387 Implementation also includes each Group undertaking risk assessments, and reconsidering previously identified risks, to ensure the assessments and controls remain valid, or are updated as required. This is an important ongoing process that is included in the DPS business planning and reporting framework.

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388 Another important component of the policy and framework is the identification of 13 risk categories applicable to DPS, and the allocation of a risk category manager for each category. The manager is responsible for documenting existing arrangements in DPS for managing that broad risk category. This documentation provides important contextual information for staff undertaking risk assessments. The risk category manager is also available to provide specific advice to these staff.

389 The level of risk management training provided by the former departments varied. To address this situation, staff have had the opportunity to undertake training provided by Comcover on various aspects of implementing risk management principles and processes in public sector agencies. Since keeping records began in January 2005, 19 DPS staff members have attended five different risk management training courses conducted by Comcover.

390 Each of the former departments had fraud control mechanisms in place that met the needs of those agencies. During the year, work commenced on consolidating and reviewing those arrangements in order to create a single fraud control policy, framework and plan that meets the requirements of the department and complies with the Commonwealth Fraud Control guidelines. This work will be completed in 2005-06.

Corporate Plan

391 The DPS Corporate Plan 2004-07 was completed during the year and issued to staff on 10 September 2004. The plan provides strategic direction for DPS until 30 June 2007. It recognises that DPS is a new department and there is work required to establish systems and processes by which the organisation is directed and controlled.

Business planning policy and framework

392 A business planning policy and framework was developed during the year and finalised in July 2005. It will be implemented over the course of the 2005-06 financial year. The framework provides for the Executive Committee to decide strategic business direction and priorities each year, having regard to the Outcome Statement and the Corporate Plan. Each Group then develops a business plan that includes initiatives designed to implement the strategic direction, as well as deliver ongoing services and facilities.

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393 Groups will report on a quarterly basis to the Executive Committee, detailing progress against the business plan.

394 Existing performance indicators will be reviewed as part of the implementation process.

DPS service charter

395 DPS does not currently have a service charter. DPS did, however, develop and publish a comprehensive service directory for the 41st Parliament. The Directory is available in hard copy to all building occupants, and is also available electronically through a direct link on the Senators' and Members' services portal.

396 Development of a formal service charter will be a complex task, because many of the services currently provided have developed as a matter of custom and practice rather than through formal decision-making processes. It is not clear that DPS has ever been specifically funded to provide some of these services, but that will not make it any easier to resolve whether any, and if so which, services will need to be abandoned or restricted having regard to our current funding position.

Appropriate ethical standards

397 The standards embraced in DPS reflect the Parliamentary Service Values and Code of Conduct contained in the *Parliamentary Service Act 1999*. These are promoted in DPS corporate documents, eg the Corporate Plan 2004-2007 and guidelines on the acceptance of gifts and benefits, as well as other financial and human resource documents. Among other things, these documents outline the standards that are expected of employees in their day-to-day work and interactions with third parties, including tenderers and contractors.

Personnel management and support

Staffing, salary and classification structures

Remuneration for Senior Executive Service (SES) employees

398 The remuneration for all 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.

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399 Most of 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 \$102,000 to \$160,000.

Performance-based pay arrangements for non-SES staff

400 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 certified agreements and performance management arrangements.

401 The certified agreements for the former Joint House Department (**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.

402 Increases in salary and allowances were paid to staff as follows:

- (a) former DPL employees—5% increase from 1 January 2005;
- (b) former Department of the Parliamentary Reporting Staff employees—5% increase from 1 July 2004;
- (c) former JHD staff employed under the *Joint House Department (Parliamentary Security Service) Certified Agreement 2003-2005*—4% increase from 1 January 2005; and
- (d) other JHD staff—3% increase from 1 July 2004.

Overview of classification structures

403 Figure 38 sets out the DPS classifications and salary ranges as at 30 June 2005.

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Figure 38—Classification and salary ranges as at 30 June 2005

Classification	Salary range
Apprentice	\$16,922 - \$40,792
APS 1/2	\$35,203 - \$40,558
APS 1/PSL1/ POC1	\$19,081 - \$36,787
APS2/3	\$43,589 - \$49,549
APS2/PSL2/POC2	\$36,056 - \$40,349
APS3/PSL3/POC3	\$41,073 - \$44,393
APS4/PSL4/POC4	\$44,979 - \$49,522
APS5/PSL5/POC5	\$50,415 - \$53,848
APS6/PSL6/POC6	\$53,725 - \$62,876
Broadcast Service Officer CI 1	\$36,690 - \$40,349
Broadcast Service Officer CI 2	\$45,741 - \$49,398
Broadcast Service Officer CI 3	\$50,661 - \$53,532
Broadcast Service Officer CI 4	\$54,469 - \$62,109
Editor I	\$50,661
Editor II	\$57,820
Editor III	\$62,109
Editor IV	\$71,781
Information Tech Officer CI 1	\$44,393 - \$49,398
Information Tech Officer CI 2	\$54,469 - \$62,109
Information Tech Officer CI 3	\$68,954 - \$74,210
Information Tech Officer CI 4	\$76,994
Junior Editor I	\$41,361 - \$45,659
PEL1/EL1/SOGC	\$68,322 - \$78,426
PEL2/EL2/SOGB	\$79,052 - \$93,540
Principal Editor	\$84,363
PSS1/2	\$19,148 - \$37,662
PSS3	\$40,666 - \$42,867
Senior Editor	\$76,994
SES Bands 1 and 3	\$102,000 - \$160,000
Snr Information Tech Off Gr A	\$92,089
Snr Information Tech Off Gr B	\$89,210
Snr Information Tech Off Gr C	\$68,954 - \$74,210
Snr Technical Officer Grade C	\$68,954 - \$74,210
SOGA	\$92,089
Technical Officer Level 1	\$37,836 - \$39,586
Technical Officer Level 2	\$44,393 - \$47,098
Technical Officer Level 3	\$48,242 - \$54,469
Technical Officer Level 4	\$55,747 - \$62,109

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404 All classifications except the SES ones will be replaced by a single eight-level classification structure created under the *Department of Parliamentary Services Certified Agreement 2005-2008*, which was certified in August 2005. Staff will translate into the new structure at their current salary and progression through a salary range will be based on performance.

405 Figure 39 sets out staffing numbers, by classification, as at 30 June 2005.

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Figure 39—Staff numbers as at 30 June 2005

Classification	Ongoing F/T		Ongoing P/T		Non-ongoing F/T		Non-ongoing P/T		Casuals		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	
Apprentice											7	1	8
APS1/2	9				1	1					10	1	11
APS1/PSL1/POC1	15	1	1			2	2		2	7	20	10	30
APS2/3	24	1			2						26	1	27
APS2/PSL2/POC2	7	16	8	37		5	3	1	1	1	19	60	79
APS3/PSL3/POC3	25	30		8	1	2					26	40	66
APS4/PSL4/POC4	40	22	2	5	2	3		2		1	44	33	77
APS5/PSL5/POC5	29	16		4		1					29	21	50
APS6/PSL6/POC6	41	21	2	7		5				6	43	39	82
Broadcast Service Officer CI 1									2		2	0	2
Broadcast Service Officer CI 2	5	6							5	4	10	10	20
Broadcast Service Officer CI 3	9	4							1		10	4	14
Broadcast Service Officer CI 4	5										5	0	5
Editor I							3	7			3	7	10
Editor II	7	16		3							7	19	26
Editor III	1	10		3						4	1	17	18
Editor IV	2	8		7							2	15	17
Information Tech Officer CI 1	12	2			2						14	2	16
Information Tech Officer CI 2	21	5									21	5	26
Information Tech Officer CI 3	7	1									7	1	8
Junior Editor I		6								8	0	14	14
PEL1/EL1/SOGC	62	32	5	7	3						70	39	109
PEL2/EL2/SOGB	21	10			2	1					23	11	34
Principal Editor	1	1									1	1	2
PSS1/2	72	6			17	2	19	2	16		124	10	134
PSS3	9	4									9	4	13

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Classification	Ongoing F/T		Ongoing P/T		Non-ongoing F/T		Non-ongoing P/T		Casuals		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	
													Total
Secretary		1									0	1	1
Senior Editor	3	2		1							3	3	6
SES Band 1	3	4									3	4	7
SES Band 3	1										1	0	1
Snr Information Tech Off Gr A	3	1									3	1	4
Snr Information Tech Off Gr B	10	2									10	2	12
Snr Information Tech Off Gr C	10				2						10	2	12
Snr Technical Officer Grade C	2										2	0	2
Technical Officer Level 1	2					1					3	0	3
Technical Officer Level 2	4										4	0	4
Technical Officer Level 3	7										7	0	7
Technical Officer Level 4	3										3	0	3
Totals	472	228	18	82	41	32	24	5	27	31	582	378	960

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Management of human resources

Introduction

406 The past year has been a year of consolidation for the Personnel Management and Support section (**PMAS**), with significant effort being put into the development and introduction of a range of policies and guidelines on personnel and workplace relations issues. Two projects that required significant effort from section were the negotiation of a new DPS certified agreement and the evaluation and selection of a new payroll/human resources system. Both these issues are covered in more detail in the Secretary's review in Part 1 of this report.

407 Staff departures over the year provided the opportunity to re-organise and reduce the internal reporting lines within the section so it now comprises three work units rather than four. The implementation of a single payroll/human resources system will provide the opportunity for further staff savings in payroll processing.

Workforce planning, staff retention and turnover

408 The department continues to have a stable workforce, with 10.53% net turnover of ongoing staff. Engagements of non-ongoing employees and contractors continued to be used as a means for managing fluctuating workloads and project activity.

409 During 2004-05, the Executive identified workforce planning as a risk category in DPS. High level documentation describing the risk has been developed, and further consideration will be given to the implementation of controls. In the interim, PMAS has developed and implemented standard monthly staffing reports, an exit interview follow-up process and regular reporting to the Executive.

Staff development and training

410 DPS provides a range of development opportunities to staff.

411 In the past, a key avenue for identifying development needs has been individual development plans prepared as part of the performance management processes used by the former departments. Funding for development activities has been concentrated at the Group level to enable managers to effectively target resources.

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412 During the year a corporate learning and development framework was drafted to provide a systematic and coherent approach to this activity. This paper incorporates recommendations included in the Australian National Audit Office Better Practice Guide, *Building Capability—A framework for managing learning and development in the APS*, published in April 2003, including the adoption of a corporate training program that is centrally funded.

413 A performance management working party was formed to look at the development of a new scheme for DPS. The new scheme will be implemented as part of the new DPS certified agreement.

414 New staff attended the DPS induction and orientation program, which was conducted every three months.

415 Staff also continued to access a wide range of external training programs. These included training in management, communication and client service, and technical skills associated with specific area functions. Internal training activities were provided in team development, supervisor skills, application writing, and staff selection. Individual coaching was provided to staff in performance management and application writing.

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

417 The department continued to provide long-term development opportunities for staff. Three employees participated in the Public Sector Management program in 2004-05.

Workplace relations

418 As foreshadowed in last year's Annual Report, the focus of activity in this year has been the development of a certified agreement for all employees of the department, except for Parliamentary Security Service employees who currently have a separate agreement. Full details can be found at paragraphs 32 to 35 of the Secretary's review in Part 1 of this report.

Workplace diversity

419 PMAS has developed a workplace diversity plan for 2005-07, which has been endorsed by the Executive Committee. The Plan's

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focus is to embed and build on existing activities which support workplace diversity, that include, but are not restricted to:

- (a) promoting the Parliamentary Service Values, Code of Conduct, and diversity practices and principles to staff through a variety of communication methods;
- (b) embedding the Parliamentary Service Values and diversity principles in the DPS employment framework and people management policies, practices and processes;
- (c) promoting the DPS harassment contact officer network and anti-discrimination principles to staff (the department has 18 harassment contact officers who provide advice and assistance to employees on workplace issues); and
- (d) where operationally possible, supervisors facilitating the use of flexible work practices allowed for in the certified agreements to support staff in achieving a balance between work and family or personal responsibilities.

Occupational health and safety (OHS)

420 In August 2004, an OHS agreement was signed between the department and the principal unions with coverage of employees. The agreement established a DPS OHS Committee and ratified designated work groups across DPS. Each designated work group has an elected health and safety representative.

421 The OHS Committee is chaired by an Assistant Secretary and membership comprises a management representative from each Group, and a health and safety representative from each designated work group. The Committee met on four occasions during the year. The work of the Committee has primarily been directed at reviewing and rationalising existing OHS policies and procedures to ensure that they meet the requirements of a larger and more diverse department.

422 The OHS Committee has also commissioned a group to review the use of SafetyMAP as the department's OHS management system auditing tool. The group will report in November 2005.

423 During the year, 23 incidents were notified to Comcare in accordance with section 68 of the *Occupational Health and Safety*

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(Commonwealth Employment) Act 1991 (the **OHS Act**). The incidents reported include 2 dangerous occurrences and 21 injuries defined as serious personal injuries. The reported incidents ranged in severity from a potentially dangerous occurrence where electricity was restored to a pump room prior to scheduled maintenance being undertaken by a contractor, to a more minor incident where a gardener sustained a cut to his hand which became infected. All reportable notifications were investigated by the department and remedial action taken where necessary. Comcare undertook a formal investigation in relation to one incident and concluded that there were no contraventions of the OHS Act in relation to the incident.

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

Commonwealth Disability Strategy

425 DPS has three roles under the Commonwealth Disability Strategy.

Provider Role

426 DPS is the principal support agency for the operations of Parliament. To help disabled people access the Parliament and the services offered by the department, the following activities were undertaken during the year:

- (a) provision of induction loops in various areas of the building for people using hearing aids;
- (b) coordination of the provision of induction loops at parliamentary committee hearings conducted interstate, where requested by committees;
- (c) encouraging the Australian Broadcasting Commission to provide captioning during broadcasts of parliamentary proceedings;
- (d) provision of broadcasting and Hansard services, via the Parliament House website, which comply with the W3C rating standards;
- (e) provision of designated disabled parking bays in Parliament House parking areas;

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- (f) provision of ramped access from all levels of the public car park to the lift;
- (g) provision of disabled toilets in the public areas (ground and first floor);
- (h) provision of wheelchair access to the Great Hall first floor tour gallery and the public galleries of the chambers;
- (i) provision of electronic scooters and wheelchairs for loan;
- (j) publication of *Parliament House Visitor Guide for People with Disabilities*, and a *Braille Visitor Guide*;
- (k) awareness training for Parliament House guides in the needs of visitors with vision and hearing impairments;
- (l) facilitating the provision of an Auslan interpreter for school groups on request;
- (m) refurbishment of the Health and Recreation Centre offering:
 - (i) disabled toilets and change room;
 - (ii) a wheelchair accessible reception desk; and
 - (iii) a chair lift for disabled access to the swimming pool.

Employer Role

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

428 All press and gazette advertising now includes a reference to a TTY number for potential applicants with hearing or speech disabilities. 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 2004-05.

429 Staff development programs take account of the needs of people with disabilities, and individual needs are accommodated on a case-by-case basis before the commencement of the program.

430 DPS has a number of mechanisms in place—both informal and formal—to manage complaints and grievances. Access is available to

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Workplace Harassment Contact Officers, the Employee Assistance Program and the Parliamentary Service Merit Protection Commissioner.

Purchaser Role

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

Purchasing

Overview

432 The purchasing of property and services by DPS during 2004-05 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 *Commonwealth Procurement Guidelines (CPGs)* and internally by Chief Executive's Instructions and supporting procedures.

433 DPS's primary purchasing objectives were:

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

434 As a consequence of the Free Trade Agreement between Australia and the United States, a new procurement framework was introduced to ensure the Commonwealth was able to meet its obligations under the agreement. Revised CPGs took effect from 1 January 2005 and included a greater focus on open and non-

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discriminatory tendering. Mandatory Procurement Procedures were also introduced for acquisitions above \$80,000.

435 In the period leading up to and following the introduction of the January 2005 CPGs, departmental resources were assigned to:

- (a) review DPS's purchasing practices and procedures; and
- (b) ensure documentation (including tendering and contracting templates) conformed with contemporary policies and obligations.

436 DPS has in place an Accredited Procurement Unit to facilitate and monitor contracting and tendering activity across the department. The Procurement Unit acts to ensure that established guidelines and procedures are observed and statutory reporting responsibilities are met.

Consultants

437 During 2004-05, 14 new consultancy contracts and standing offers were entered into involving total expenditure of \$215,684 (GST inclusive). In addition, 44 ongoing consultancy contracts and standing offers were in place from previous years. Of these 44, 16 were not used, while activities under the other ongoing contracts and standing offers incurred expenditure of \$1,137,776 (GST inclusive) during the reporting year.

438 DPS used a combination of in-house resources and external consultants to deliver services, according to the nature of each requirement. Private sector specialists were engaged under panel or individual contract arrangements when unique skills and expertise were necessary to assist with the achievement of core business objectives.

439 It is the policy of DPS to engage the services of external consultants where such a course of action can add genuine value to the operational effectiveness of the department. Each proposal to engage a consultant is carefully scrutinised and considered on its individual merits, and justifying reasons include:

- (a) limited or one-time use of specialised skills;
- (b) requirement for unique areas of expertise;

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- (c) specialist knowledge 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; and
- (g) limitations on executive time.

440 The method of procurement for consultants is determined by the complexity, nature and value of each specific requirement. The methods used include open tendering, select tendering or quotation, or a direct sourcing arrangement. The method chosen is that which will achieve the best value-for-money outcome in each circumstance, and the choice is subject to the Mandatory Procurement Procedures within the CPGs (where applicable).

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

- (a) legal;
- (b) architectural;
- (c) engineering;
- (d) audit; and
- (e) building management.

442 Particulars of consultancy contracts and standing offers awarded to the value of \$10,000 or more during 2004-05 are shown at Appendix A.

Competitive tendering and contracting

443 During 2004-05, DPS undertook minimal new outsourcing activities, and no new outsourcing arrangements were initiated for \$100,000 or more. However, many activities have been outsourced to external providers under standing offers and contracts, including:

- (a) internal audit;
- (b) project management;

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- (c) maintenance painting;
- (d) heating, ventilation and air conditioning maintenance;
- (e) engineering advice;
- (f) courier services;
- (g) architectural advice;
- (h) selected information technology and communications services;
- (i) indexing;
- (j) transcriptions and audio recordings; and
- (k) specialist trade activities.

Exempt contracts

444 During 2004-05, no DPS contracts or standing offers were exempted by the Chief Executive from being published via AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Asset management

445 The Parliament House building has a current replacement cost of \$1.3 billion and a remaining life of 183 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.

446 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 a tourist attraction.

447 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-

PART 5—Management and accountability

effective manner. The systems are supported by a team of professional engineers, architects and facility managers who continually develop their skills in asset management.

448 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 31 in Part 3.

449 The DPS maintenance services team used a combination of in-house and contracted personnel to ensure timely cost-effective maintenance service provision. Working with maintenance planning personnel, the maintenance services team achieved a ratio of 84% planned preventative maintenance to 16% reactive maintenance. Their efforts ensured that the building achieved a BCI of 89% for a cost of \$47.76/m².

450 Managing the landscape has been difficult during the year because of the ongoing drought. ACT level 3 restrictions, requiring a 40% reduction in water use, were in place for six months from 1 September 2004. In difficult circumstances, DPS managed to maintain a generally high standard of landscape while achieving the required water savings. During the year 3ha of turf, which were in any case due for replacement because of infestation with winter grass, were left to die to ensure other higher priority landscape assets were watered.

451 Once the drought is over, some elements of the Parliament House landscape will need repairing. The longer the drought lasts, the higher the costs of this repair will be.

452 The amount of energy used within the building was the lowest since the building opened in 1988. A combination of energy savings measures and an election year saw energy use per square metre drop to just 167 kWhrs/m². DPS is reviewing its energy strategy with a view to further reducing long-term energy use and greenhouse gas emissions. The strategy is expected to be completed in 2005-06 (see paragraphs 300 to 336).

Accountability

External scrutiny

453 During 2004–05, DPS was the subject of external performance and compliance audits by the ANAO in relation to its financial

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statements for the period ending 30 June 2005. These audits were unqualified.

454 The ANAO audits the compliance of agencies with the *Senate Order for Departmental and Agency Contracts* (the **Senate Order**) that requires the listing of contract details on the Internet. DPS is not a Department of State, and is therefore not required to comply with the Senate Order, but has chosen to do so. The last audit to be completed, for the 2004 calendar year, was tabled on 29 September 2005. DPS was not one of the agencies selected for review.

455 DPS was not subject to any judicial decisions or decisions of administrative tribunals, nor did the Ombudsman report on activities of DPS in 2004–05. The Ombudsman sought information from DPS in relation to one complaint, made by a former supplier to a departmental contractor.

456 The 40th report of the Appropriations and Staffing Committee dated May 2004 concerned the funding arrangements and other matters relating to DPS providing security for Parliament House and surrounds. The Committee resolved as follows:

- (a) The committee recommend that, conditional on the Department of the House of Representatives taking identical steps:
 - (i) approximately \$11m of the amount allocated to the provision of security currently shown for the Department of the Senate in the 2004-05 budget papers and out years be transferred to the Department of Parliamentary Services (DPS);
 - (ii) the security assets of the Department of the Senate be transferred to DPS with effect from 1 July 2004, and that the Clerk and the Secretary of DPS conclude an agreement on the transfer of an appropriate amount of depreciation reserves;
 - (iii) any expenditure on security services for the Parliament incurred by DPS from 1 July 2004 (including under the agreement with the Australian Federal Police) not be billed to the Department of the Senate.
- (b) The President direct, for his part, that any advice on security matters affecting senators, Parliament House

PART 5—Management and accountability

and the parliamentary precincts tendered by the Secretary or another officer of DPS shall be co-signed by the Usher of the Black Rod or another officer of the Department of the Senate nominated by the Clerk, and, unless it is so co-signed, it shall not constitute satisfactory advice to the President.

- (c) The committee recommend that the Senate amend the committee's terms of reference to give the Committee responsibility for oversight of expenditure and administration of security measures affecting the Senate.
- (d) The committee recommend that the Parliamentary Service Act be amended to provide for the continuation of the Security Management Board to advise the Presiding Officers on security management and policy issues.

457 The transfer of funds and the amendment of the *Parliamentary Service Act 1999* were effected during the reporting year. A process to give effect to paragraph (b) was implemented.

Freedom of information

458 While DPS is not subject to the provisions of the *Freedom of Information Act 1982* (the **FOI Act**), the department generally tries to respond to requests for information in accordance with the spirit of the legislation.

459 DPS maintains documentation on its daily operations, the Parliamentary Library catalogue, the Hansard record, a large number of systems manuals, the "as-constructed" drawings of Parliament House, and the Central Reference Document (a document that describes the principles underpinning the design of Parliament House).

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

461 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.

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462 In 2004–05, one request for information was received and information was provided.

Discretionary grants

463 DPS does not administer any discretionary grant programs.

Advertising costs 2004-05

464 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 organisations.

465 Figure 40 sets out amounts paid by DPS during the reporting year. No money was paid to any organisation covered in paragraph 464 (b), (c) or (d).

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Figure 40—Advertising costs

Supplier	Item	Cost \$
HMA Blaze	Recruitment advertisements	62,775
HMA Blaze	Tender advertisements	12,977
HMA Blaze	Advertising for Open Day, Floriade and flag raising	6,168
Canberra Times	Advertising in the quarterly <i>See Canberra</i> magazine to promote Parliament House	3,243
Australian Capital Tourism Corporation	Advertisements for 2005 holiday planner and ACTC visitor centre	7,150
Bytes N Colour	Design and printing services for advertisements for Floriade, flag raising, a holiday planner, flyers, the Open Day book, the <i>Big Book of Australia</i> and <i>See Canberra</i>	3,569
Canberra Convention Bureau	Advertising in the 2005 <i>Meeting Planners Guide</i> to promote Parliament House	3,190
National Capital Attractions	Advertising in the NCAA brochure to promote Parliament House	2,000
Sampson Carrol Aust Pty Ltd	Strip advertising for the <i>Big Book of Australia</i>	4,538
ZOO	Visitors' Guide reprint	45,713
ZOO	Visitors' Guide foreign languages	26,150
ZOO	Parliament House—Energy and Greenhouse Reduction banners for Open Day	4,008
ZOO	Environment brochure	1,926
ZOO	Promotional bookmarks for visitors	3,061
Total		186,468

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 Statements

This audit report relates to the financial statements published in both the annual report and on the website of the Parliament of Australia for the year ended 30 June 2005. The Department of Parliamentary Services' 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 and Chief Executive's responsibility

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 year ended 30 June 2005.

The Department of Parliamentary Services' Secretary is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Department of Parliamentary Services, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The Department's Secretary is also responsible 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

Financial statements

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 audit procedures, the audit was not designed to provide assurance on internal controls.

I have 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 the ethical requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial statements of the Department of Parliamentary Services:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Department of Parliamentary Services' financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
7 October 2005

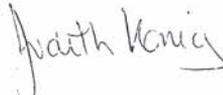
**DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2005 have been prepared 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*, as amended.



Hilary Penfold QC
Secretary

7 October 2005



Judith König FCPA
Chief Finance Officer

7 October 2005

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES****STATEMENT OF FINANCIAL PERFORMANCE***for the year ended 30 June 2005*

	Notes	2005 \$'000	2004 \$'000
Revenues from ordinary activities			
Revenues from Government	3A	112,876	38,904
Goods and services	3B	6,734	6,746
Revenue from sale of assets	3C	45	28
Other revenues		500	191
Revenues from ordinary activities		120,155	45,869
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	4A	57,548	25,032
Suppliers	4B	41,164	15,448
Depreciation and amortisation	4C	19,109	6,271
Write-down and impairment of assets	4D	1,323	711
Value of assets sold	3C	205	159
Expenses from ordinary activities (excluding borrowing costs expense)		119,349	47,621
Borrowing costs expense	5	37	22
Operating Surplus or (Deficit) from ordinary activities		769	(1,774)
Net credit to asset revaluation reserve	11	1,033	-
Total Revenues, Expenses and Valuation Adjustments Attributable to Members of the Parent Entity and Recognised Directly in Equity		1,033	-
Total changes in equity other than those resulting from transactions with the Owners as Owners		1,802	(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 2005

	Notes	2005 \$'000	2004 \$'000
ASSETS			
Financial Assets			
Cash	6A	318	3,701
Receivables	6B	37,572	21,203
Total Financial Assets		37,890	24,904
Non-Financial Assets			
Infrastructure, plant and equipment	7A,B	55,596	41,468
Intangibles	7C	11,656	13,395
Inventories	7D	204	190
Other non-financial assets	7E	1,125	731
Total Non-Financial assets		68,581	55,784
Total Assets		106,471	80,688
LIABILITIES			
Interest Bearing Liabilities			
Leases	8	363	742
Total Interest Bearing Liabilities		363	742
Provisions			
Employees	9	16,846	18,413
Total Provisions		16,846	18,413
Payables			
Suppliers	10A	3,406	3,153
Other Payables	10B	797	1,815
Total Payables		4,203	4,968
Total Liabilities		21,412	24,123
NET ASSETS		85,059	56,565
EQUITY			
Contributed Equity	11A,B	85,031	58,339
Reserves	11A	1,033	-
Retained Surpluses (Accumulated Deficits)	11A	(1,005)	(1,774)
TOTAL EQUITY		85,059	56,565
Current Assets		39,219	25,824
Non-current Assets		67,252	54,864
Current Liabilities		9,457	11,540
Non-current Liabilities		11,955	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 year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
OPERATING ACTIVITIES			
Cash Received			
Goods and services		9,449	8,737
Appropriations		100,925	35,240
Net GST received from ATO		3,853	1,038
Total Cash Received		114,227	45,015
Cash Used			
Employees		59,114	22,659
Suppliers		47,853	16,066
Borrowing costs		37	22
Total Cash Used		107,004	38,747
Net Cash From or (Used By) Operating Activities	12	7,223	6,268
INVESTING ACTIVITIES			
Cash Received			
Proceeds from sales of property, plant and equipment		45	28
Total Cash Received		45	28
Cash Used			
Purchase of property, plant and equipment	7B	7,779	3,462
Purchase of intangibles	7C	2,872	1,630
Total Cash Used		10,651	5,092
Net Cash From or (Used by) Investing Activities		(10,606)	(5,064)
Net Increase or (Decrease) in cash held		(3,383)	1,204
Cash at the beginning of the reporting period		3,701	2,497
Cash at the End of the Reporting Period	6A	318	3,701

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 2005*

BY TYPE	Notes	2005 \$'000	2004 \$'000
Capital Commitments			
Infrastructure, Plant and Equipment ¹		2,261	1,206
Total Capital Commitments		2,261	1,206
Other Commitments			
Operating leases ²		2,423	4,823
Other ³		15,879	24,699
Total Other Commitments		18,302	29,522
Commitments Receivable		(2,273)	(4,977)
Net Commitments by Type		18,290	25,751
BY MATURITY			
Capital Commitments			
One year or less		2,261	1,206
From one to five years		-	-
Over five years		-	-
Total Capital Commitments by Maturity		2,261	1,206
Operating Lease Commitments			
One year or less		1,165	1,979
From one to five years		1,258	2,843
Over five years		-	-
Total Operating Lease Commitments by Maturity		2,423	4,822
Other Commitments			
One year or less		6,460	7,353
From one to five years		9,419	17,347
Over five years		-	-
Total Other Commitments by Maturity		15,879	24,700
Commitments Receivable		(2,273)	(4,977)
Net Commitments by Maturity		18,290	25,751

NB : Commitments are GST inclusive where relevant.

- Infrastructure, plant and equipment commitments are primarily for purchase of equipment and services for IT system assets and furniture and fittings.
- Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles, office accommodation and storage facilities.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Motor vehicles	Lease periods vary from 18 to 60 months, depending on the type of vehicle leased. Ownership never passes to DPS. There are no renewal or purchase options at the end of the leases.
Office accommodation	Relates to office space at the West Block annexe to Old Parliament House. The lease agreement is for a period of ten years, ending in June 2007. Lease payments are subject to annual increases linked to CPI.
Storage facilities	Relates to warehouse space at Queanbeyan. The lease agreement is for a period of 5 years, ending in January 2008. Lease payments are subject to annual increases linked to CPI movements.

- Other commitments are comprised of long term contracts in force as at 30 June 2005, where total consideration is greater than \$100,000, and outstanding purchase orders at 30 June 2005, where the goods and services were ordered but not received by 30 June 2005.

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 2005*

Contingent liabilities	Guarantees		Claims for damages/costs		Total	
	2005	2004	2005	2004	2005	2004
Balance from previous period	-	-	17	17	17	17
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Liabilities crystallised	-	-	(15)	-	(15)	-
Obligations expired	-	-	(2)	-	(2)	-
Total Contingent Liabilities	-	-	-	17	-	17
Contingent assets	Guarantees		Claims for damages/costs		Total	
	2005	2004	2005	2004	2005	2004
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Total Contingent Assets	-	-	-	-	-	-
Net Contingencies	-	-	-	17	-	17

Details of each class of contingent liabilities and assets, including any that are not included above because they cannot be quantified or are considered remote, are disclosed in Note 13: 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	2005 \$'000	2004 \$'000
Revenues Administered on Behalf of Government <i>for the year ended 30 June 2005</i>			
Non-taxation revenue			
Other sources of non-taxation revenue	18	373	16
Total Revenues Administered on Behalf of Government		373	16
Expenses Administered on Behalf of Government <i>for the year ended 30 June 2005</i>			
Depreciation and amortisation	19	39,853	16,595
Write-down	19	22,746	-
Value of assets sold	19	56	166
Total Expenses Administered on Behalf of Government		62,655	16,761
Assets Administered on Behalf of Government <i>as at 30 June 2005</i>			
Financial Assets			
Receivables	20	467	224
Total Financial Assets		467	224
Non-Financial Assets			
Land and Buildings	20	1,293,517	1,314,144
Property, Plant and Equipment	20	29,439	31,278
Heritage and Cultural Assets	20	62,133	84,327
Total Non-Financial Assets		1,385,089	1,429,749
Total Assets Administered on Behalf of Government		1,385,556	1,429,973
Liabilities Administered on Behalf of Government <i>as at 30 June 2005</i>			
Payables			
Suppliers	21	520	336
Total Liabilities Administered on Behalf of Government		520	336
Net Assets Administered on Behalf of Government		1,385,036	1,429,637
Current Assets		467	224
Non-current Assets		1,385,089	1,429,749
Current Liabilities		520	336
Non-current Liabilities		-	-

This schedule should be read in conjunction with the accompanying notes.

Financial statements

DEPARTMENT OF PARLIAMENTARY SERVICES			
SCHEDULE OF ADMINISTERED ITEMS (continued)			
	Notes	2005 \$'000	2004 \$'000
Administered Cash Flows			
<i>for the year ended 30 June 2005</i>			
Operating Activities			
Cash Received			
GST received from ATO		1,521	512
Total Cash Received		1,521	512
Cash Used			
GST paid to Suppliers		(1,768)	(517)
Total Cash Used		(1,768)	(517)
Net Cash From / (Used In) Operating Activities		(247)	(5)
Investing Activities			
Cash Received			
Proceeds from sales of property, plant and equipment	18	1	4
Total Cash Received		1	4
Cash Used			
Purchase of property, plant and equipment	20	(17,682)	(5,189)
Total Cash Used		(17,682)	(5,189)
Net Cash From / (Used In) Investing Activities		(17,681)	(5,185)
Net Increase (Decrease) in Cash Held		(17,928)	(5,190)
Cash at the beginning of the reporting period		-	10
Cash from Official Public Account for:			
- Appropriations		17,888	5,179
- GST Annotations Appropriation under S 30A		1,768	517
		19,656	5,696
Cash to Official Public Account for:			
- GST returned		(1,521)	(511)
- Other		(207)	(5)
		(1,728)	(516)
Cash at End of Reporting Period	20	-	-

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2005 \$'000	2004 \$'000
Administered Commitments			
<i>as at 30 June 2005</i>			
BY TYPE			
Capital Commitments			
Infrastructure, plant and equipment		<u>16,102</u>	11,219
Total Capital Commitments		<u>16,102</u>	11,219
Commitments Receivable		<u>(1,464)</u>	(1,020)
Net Commitments by Type		<u>14,638</u>	10,199
BY MATURITY			
Capital Commitments			
One year or less		14,638	10,199
From one to five years		-	-
Over five years		-	-
Net Commitments by Maturity		<u>14,638</u>	10,199

NB : Commitments are GST inclusive where relevant.

Administered Contingencies

as at 30 June 2005

There were no contingencies or remote or unquantifiable contingencies at balance date.

Statement of Activities Administered on behalf of Government

The major administered activities of the Department of Parliamentary Services are directed towards achieving the outcome described in Note 1 to the Financial Statements. Details of planned activities can be found in the Agency Portfolio Budget Statements for 2004-05, 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 financial year ended 30 June 2005

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Notes to and forming part of the Financial Statements

Note 1 Summary of Significant Accounting Policies**1.1 Objectives of the Department of Parliamentary Services (DPS)**

The objective of DPS is to serve the Australian people by supporting the Parliament and caring for Parliament House.

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 statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- 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 that are 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 (other than unquantifiable or remote contingencies, which are reported at Note 13).

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.

Comparatives

DPS commenced operations on 1 February 2004. The comparatives are for the 5 months ended 30 June 2004.

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 1.18.

1.3 Revenue

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions or reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

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.

Notes to and forming part of the Financial Statements

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 1.4).

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.

*1.4 Transactions with 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. 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.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. On 23 March 2005, the Finance Minister issued a determination to reduce the Administered Output Appropriation by \$10,134. This amount was drawn from the Official Public Account (OPA) by the former Joint House Department (JHD) but remained unspent when JHD was amalgamated into DPS. A payment for this amount was subsequently processed by DPS and DPS will seek a return of these funds at 2005-06 Additional Estimates. The amount was returned to the OPA.

1.5 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.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Financial statements

Notes to and forming part of the Financial Statements

1.5 Employee Benefits (continued)

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 liability for long service leave was calculated using the shorthand method provided by the Australian Government Actuary. 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.

1.6 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.

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

Notes to and forming part of the Financial Statements

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.

1.7 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 5)

1.8 Cash

Cash includes notes and coins held and the balances of DPSs bank accounts. Cash is recognised at its nominal amount.

1.9 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 (and irrespective of having been invoiced).

Contingent Liabilities and Contingent Assets

Contingent liabilities (assets) are not recognised in the Statement of Financial Position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) 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 (asset) would be recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.10 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. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.11 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 \$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, or add to system assets).

Financial statements

Notes to and forming part of the Financial Statements

1.11 Property, Plant and Equipment (PP&E) (continued)

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; or
- individual items at cost of acquisition or valuation of at least \$2,000.

The department identifies 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 enhance the asset by increasing its functionality and become 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

Land, buildings, plant and equipment and heritage and cultural assets are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair values for each class of asset were determined as shown below.

Asset class	Fair value measured at:
Land	Market selling price subject to restricted use clause.
Buildings	Current replacement cost.
System assets	Market selling price or depreciated replacement cost
Furniture and Equipment	Market selling price or depreciated replacement cost
Library Collection	Market selling price or depreciated replacement cost
Security	Depreciated replacement cost
Heritage and Cultural Assets	Current market selling price

Assets which are surplus to requirements are valued at their net realisable value.

Notes to and forming part of the Financial Statements**1.11 Property, Plant and Equipment (continued)****Conduct**

All formal valuations are conducted by an independent qualified valuer.

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 2005, 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

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.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated when assets are revalued.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

	2005	2004
Building	20 to 200 years	20 to 200 years
Heritage and Cultural	Not depreciated	Not depreciated
System assets	3 to 24 years	3 to 24 years
Furniture and equipment	2 to 50 years	2 to 50 years
Library collection	3 to 30 years	3 to 30 years
Security Infrastructure	3 to 25 years	NA

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Notes 4C and 19.

1.12 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, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the asset is written down to the higher of its net selling price and, if DPS would replace the asset's service potential, its depreciated replacement cost.

Financial statements

Notes to and forming part of the Financial Statements

1.13 Intangibles

Intangibles comprise internally developed software for internal use and capital works-in-progress. These assets are carried at cost, and are assessed for indications of impairment.

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 (2003-04: 3 to 10 years).

At balance date the CHRIS payroll system, used by the former Joint House Department, was written down to an expected useful life of 12 months. This action reflects that DPS has selected the Peoplesoft human resource system and is in the process of migrating all staff to that system.

Capital works-in-progress are not depreciated.

1.14 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.

1.15 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.

1.16 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 reporting date. Associated currency gains and losses are not material.

1.17 Insurance

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

1.18 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 of Accounting Standards, Accounting Interpretations and Urgent Issues Group Abstracts.

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.

Notes to and forming part of the Financial Statements

These transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 22.

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

*1.18 Reporting of Administered Activities (continued)***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 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 uses 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 is used for:

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

Financial statements

Notes to and forming part of the Financial Statements

Note 2 Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-06

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS 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.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore DPS will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS 29 *Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Australian Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using the AEIFRS; and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this Note is to make these disclosures.

Management of the transition to AEIFRS

DPS has taken the following steps in preparation for the implementation of AEIFRS:

- The DPS Audit Committee is overseeing the transition to and implementation of AEIFRS. The Chief Finance Officer is formally responsible for the project and reports regularly to the Audit Committee on progress against the formal plan approved by the Committee.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
 - All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004.
 - No systems changes were necessary to be able to report under the AEIFRS, or to capture data under both sets of rules for 2004-05.

Notes to and forming part of the Financial Statements

Note 2 (continued)

- A transitional balance sheet as at 1 July 2004 under AEIFRS was completed and presented to the Audit Committee on 14 December 2004.
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports.
- The 2004-05 Balance Sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.
- 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.
- Consultants were engaged where necessary to assist with each of the above steps.

Major changes in accounting policy

DPS believes that the first financial report prepared under AEIFRS ie at 30 June 2006, will be prepared on the basis that DPS will be a first time adopter under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Changes in accounting policies under AEIFRS are applied retrospectively ie as if the new policy had always applied (except in relation to the exemptions available and the prohibitions under AASB 1). This means that an AEIFRS compliant balance sheet has to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under AEIFRS.

A first time adopter of AEIFRS may elect to use exemptions under paragraphs 13 to 25E. When developing the accounting policies applicable to the preparation of the 1 July opening balance sheet, no exemptions were identified by DPS.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on DPS operations;
- potential amendments to the AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and AEIFRS Interpretations.

Property, plant and equipment

It is expected that the 2005-06 *Finance Minister's Orders* will continue to require property, plant and equipment assets to be valued at fair value in 2005-06.

After comparing the book value of assets at the date declared for sale and then again at the date of sale, the effect on the value of assets sold and depreciation was found not to be material.

Intangible Assets

DPS currently recognises internally-developed software assets on the cost basis.

Financial statements

Notes to and forming part of the Financial Statements

Note 2 (continued)

Impairment of Intangibles and Property, Plant and Equipment

DPS's policy on impairment of non-current assets is at note 1.13.

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of 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. However, an impairment assessment of DPS assets indicated that no adjustment is required.

Inventory

DPS recognises inventory not held for sale at cost, except where it is no longer required, in which case net realisable value is applied.

The new Australian Equivalent standard will require inventory held for distribution at no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

An assessment was made and it was found that in all instances the current replacement cost of inventory was equal or greater than the original cost. Therefore no adjustment is required.

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 date on national government bonds.

The 2003-04 Financial reports noted that the AEIFRS standards may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.

AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, an adjustment is required to discount the amount determined as non-current annual leave.

Administered Items

Assessment of the administered assets and liabilities of DPS indicate that there are no adjustments due to the transition to AEIFRS.

Financial statements**Notes to and forming part of the Financial Statements****Note 2 (continued)***Reconciliation of Impacts-AGAAP to AEIFRS*

	30 June 2005* \$'000	30 June 2004 \$'000
Reconciliation of Departmental Equity		
Total Departmental Equity under AGAAP	85,059	56,565
Adjustments to accumulated results	(40)	119
Adjustments to other reserves	-	-
Total Equity under AEIFRS	85,019	56,684
Reconciliation of Departmental Accumulated Results		
Total Departmental Accumulated Results under AGAAP	(1,005)	(1,774)
Adjustments:		
Employee	79	119
Total Accumulated Results under AEIFRS	(926)	(1,665)
Reconciliation of Departmental Reserves		
Total Departmental Reserves under AGAAP	1,003	-
Adjustment:		
Asset Revaluation Reserve	-	-
Total Departmental Reserves under AEIFRS	1,003	-
Reconciliation of Departmental Contributed Equity		
Total Departmental Contributed Equity under AGAAP	85,031	58,339
Adjustments	-	-
Total Contributed Equity under AEIFRS	85,031	58,339
	30 June 2005* \$'000	
Reconciliation of Net surplus / (deficit) from ordinary activities for year ending 30 June 2005		
Net surplus / deficit from ordinary activities under AGAAP	769	
Adjustments:		
Employee expenses	(40)	
Net surplus / deficit from ordinary activities under AEIFRS	729	

* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition.

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 3 Operating Revenues		
<u>Note 3A Revenues from Government</u>		
Appropriations for outputs	112,731	38,323
Resources received free of charge	145	581
Total revenues from government	112,876	38,904
<u>Note 3B Goods and Services</u>		
Goods	1,313	521
Services	5,421	6,225
Total sales of goods and services	6,734	6,746
Provision of goods to:		
Related entities	4	2
External entities	1,309	519
Total sales of goods	1,313	521
Rendering of services to:		
Related entities	4,635	5,212
External entities	785	1,013
Total rendering of services	5,421	6,225
Cost of sales of goods	670	291
<u>Note 3C Net Gains/(Losses) from Sale of Assets</u>		
Plant and equipment		
Proceeds from disposal	45	28
Net book value of assets disposed	(205)	(159)
Net loss from disposal of plant and equipment	(160)	(131)

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 4 Operating Expenses		
<u>Note 4A Employee Expenses</u>		
Wages and salary	42,869	18,445
Superannuation	8,138	3,483
Leave and other entitlements	5,607	2,295
Separation and redundancies	38	279
Total employee benefits expense	56,652	24,502
Workers compensation premiums	896	530
Total employee expenses	57,548	25,032
<u>Note 4B Supplier Expenses</u>		
Goods from related entities	9	4
Goods from external entities	4,233	2,971
Services from related entities	17,102	1,753
Services from external entities	18,581	10,104
Operating lease rentals *	1,239	616
Total supplier expenses	41,164	15,448
* These comprise the minimum lease payments only.		
<u>Note 4C Depreciation and Amortisation</u>		
Depreciation of property, plant and equipment	14,584	4,402
Amortisation of intangibles-Computer software	4,525	1,869
Total depreciation and amortisation	19,109	6,271
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of asset are as follows:		
System assets	7,159	3,013
Furniture and equipment	1,943	1,019
Library collection	907	370
Security infrastructure	4,575	-
Total depreciation	14,584	4,402
Intangibles-Computer software	4,525	1,869
Total amortisation	4,525	1,869
Total depreciation and amortisation	19,109	6,271
<u>Note 4D Write Down of non-financial Assets</u>		
Plant and equipment revaluation decrement	1,204	371
Plant and equipment write down	33	-
Intangibles-Computer software write down	86	340
Total write-down of assets	1,323	711

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 5		
Borrowing Cost Expense		
Leases	37	22
Total borrowing expense	37	22
Note 6		
Financial Assets		
<u>Note 6A Cash</u>		
Cash on hand	6	6
Cash at bank	312	3,695
Total cash	318	3,701
<u>Note 6B Receivables</u>		
Goods and services	916	2,384
Less: Provision for doubtful debts	(10)	(10)
	906	2,374
GST receivable from the Australian Taxation Office (net)	955	259
Appropriations receivable	35,711	18,570
Total receivables (net)	37,572	21,203
All receivables are current assets.		
Receivables (gross) are aged as follows:		
Current	36,878	20,760
Overdue by:		
less than 30 days	538	216
30 days to 60 days	166	208
60 days to 90 days	-	4
more than 90 days	-	25
Total receivables (gross)	37,582	21,213
Provision has been made for doubtful debts aged as follows:		
Current	-	-
Overdue by:		
30 days to 60 days	(10)	(10)
Total provision for doubtful debts	(10)	(10)

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 7 Non-Financial Assets		
<u>Note 7A—Property, plant and equipment</u>		
System Assets		
Work in progress—at cost	3,206	2,745
At cost	-	4,521
At deprival value	-	10,401
At fair value	22,185	12,312
Total System Assets	25,391	29,979
Furniture and Equipment		
At cost	-	3,764
At deprival value	-	1,136
At fair value	4,666	1,018
Total Furniture and Equipment	4,666	5,918
Library Collection		
Work in progress—at cost	25	-
At cost	-	332
At fair value	5,019	5,239
Total Library Collection	5,044	5,571
Security Infrastructure		
Work in progress—at cost	1,351	-
At fair value	19,144	-
	20,495	-
Total Property, Plant and Equipment (non-current)	55,596	41,468

Plant and equipment under finance leases is subject to revaluation. The carrying amount is included in the valuation figures above and is separately disclosed in Table B below.

All formal revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.11. In 2004-05, the formal revaluations were conducted by an independent valuer, S O'Leary AAPI, Certified Practising Valuer, Australian Valuation Office.

Revaluation increment of \$1,032,782 for security infrastructure (2004 increment: Nil) was made to the Asset Revaluation Reserve. Revaluation decrement of \$1,203,675 for System Assets and Furniture and Equipment (2004 decrement: Nil) was expensed.

Financial statements

Notes to and forming part of the Financial Statements

Note 7B 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 July 2004	
Gross book value	109,816
Accumulated depreciation/amortisation	(68,348)
<i>Opening Net Book Value</i>	41,468
Additions	
By purchase	7,779
From restructuring	21,346
Net revaluation decrement	(171)
Write down	(33)
Depreciation	(14,584)
Value of assets sold	(205)
Other transfers	(4)
As at 30 June 2005	
Gross Book Value	177,394
Accumulated Depreciation	(121,798)
Net Book Value	55,596

TABLE B — Assets at valuation

Item	Property, Plant and Equipment \$'000
As at 30 June 2005	
Gross Value	172,812
Accumulated depreciation	(121,798)
Net Book Value	51,014
As at 30 June 2004	
Gross Value	92,438
Accumulated depreciation	(62,333)
Net Book Value	30,105

Financial statements**Notes to and forming part of the Financial Statements**Note 7B (continued) Analysis of Property, Plant and Equipment**TABLE C — Assets held under finance lease**

Item	Property, Plant and Equipment \$'000
As at 30 June 2005	
Gross Value	860
Write down	(33)
Accumulated depreciation/amortisation	(483)
Net book value	344
As at 30 June 2004	
Gross Value	1,137
Accumulated depreciation/amortisation	(420)
Net book value	717

TABLE D — Assets under construction

Item	Property, Plant and Equipment \$'000
Gross Value as at 30 June 2005	4,582
Gross Value as at 30 June 2004	2,745

Financial statements

Notes to and forming part of the Financial Statements

Note 7C Intangibles

	2005	2004
	\$'000	\$'000
Computer software		
—Internally developed—in progress (non-current)	2,959	2,030
—Internally developed—in use (non-current)	21,842	22,266
Accumulated amortisation	(13,145)	(10,901)
Total intangibles	11,656	13,395

TABLE A - Reconciliation of the opening and closing balances of intangibles

Item	Computer Software \$'000
As at 1 July 2004	
Gross book value	24,296
Accumulated amortisation	(10,901)
Net book value	13,395
Additions	2,872
Amortisation expense	(4,525)
Write downs	(86)
Disposals	-
As at 30 June 2005	
Gross book value	24,801
Accumulated amortisation	(13,145)
Net book value	11,656

	2005	2004
	\$'000	\$'000
Note 7D Inventories		
Inventories held for sale—The Parliament Shop	204	190
Total inventories	204	190

All departmental inventories are current assets.

Note 7E Other Non-Financial Assets

Prepayments	1,100	731
Other	25	-
Total other non-financial assets	1,125	731

All other non-financial assets are current assets.

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 8 Interest Bearing Liabilities		
Finance lease commitments payable:		
Within one year	320	393
In one to five years	58	402
In more than five years	-	-
Minimum lease payments	378	795
Deduct: future finance charges	15	53
Net lease liability	363	742
Lease liability is represented by:		
Current	306	356
Non-current	57	386
Net lease liability	363	742

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.

Note 9 ProvisionsEmployee provisions:

Salaries and wages	309	2,087
Leave	14,805	14,232
Superannuation	1,562	1,482
Separations and redundancies	-	494
Aggregate employee entitlement liability	16,676	18,295
Workers' compensation	170	118
Aggregate employee benefit liability and related on-costs	16,846	18,413

Provisions are represented by:

Current	5,127	7,013
Non-current	11,720	11,400

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 10 Payables		
<u>Note 10A Suppliers Payables</u>		
Trade creditors	<u>3,406</u>	<u>3,153</u>
Total Supplier Payables	<u>3,406</u>	<u>3,153</u>
Supplier Payables are all current liabilities.		
<u>Note 10B Other Payables</u>		
Revenue received in advance	<u>797</u>	<u>1,815</u>
Total Other Payables	<u>797</u>	<u>1,815</u>
Other payables are represented by:		
Current	618	1,018
Non-current	179	797

Notes to and forming part of the Financial Statements

Note 11 Equity**Note 11A – Analysis of Equity**

Item	Accumulated Results		Asset Revaluation Reserve		Contributed Equity		TOTAL EQUITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance as at 1 July	(1,774)	-	-	-	58,338	-	56,564	-
Net surplus / (deficit)	769	(1,774)	-	-	-	-	769	(1,774)
Net revaluation increment/(decrement)	-	-	1,033	-	-	-	1,033	-
Transactions with owner:								
Contributions by owner:	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	26,693	58,338	26,693	58,338
Transfers to/(from) between reserves	-	-	-	-	-	-	-	-
Closing balance as at 30 June	(1,005)	(1,774)	1,033	-	85,031	58,338	85,059	56,565

Financial statements

Notes to and forming part of the Financial Statements

Note 11B Restructuring

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.

In respect of functions assumed, the net book values of assets and liabilities transferred to DPS and recognised as at 1 July 2004 were:

	\$'000
Total assets recognised	26,693
Total liabilities recognised	-
Net assets assumed	26,693
Net contribution by Government as owner during the period	26,693

Note 12 Cash Flow Reconciliation

	2005	2004
	\$'000	\$'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	318	3,701
Statement of Financial Position items comprising above cash: 'Financial Asset—Cash'	318	3,701
Reconciliation of net surplus to net cash from operating activities:		
Net surplus (deficit)	769	(1,774)
Depreciation/amortisation	19,109	6,271
Net write down of non-financial assets	1,323	711
Loss on disposal of assets	160	131
(Increase) / decrease in operating receivables	(10,332)	(1,991)
(Increase) / decrease in inventories	(14)	2
(Increase) / decrease in prepayments	(395)	305
(Increase) / decrease in GST receivable	(411)	(145)
Increase / (decrease) in employee provisions	(1,566)	2,374
Increase / (decrease) in other provisions and payables	(1,135)	384
Net cash from / (used by) operating activities	7,223	6,268

As a result of the transfer of Security assets to DPS from the two chamber departments on 1 July 2004, certain assets and liabilities were assumed. Note 11B refers.

At that date, DPS assumed Property, Plant and Equipment and Intangibles with a gross value of \$55.670m and accumulated depreciation of \$34.312m.

Financial statements**Notes to and forming part of the Financial Statements****Note 13 Contingent Liabilities and Assets***Quantifiable Contingencies*

As at 30 June 2005 the department had no quantifiable contingencies.

Unquantifiable Contingencies

As at 30 June 2005 the department had no unquantifiable contingencies.

Remote Contingencies

As at 30 June 2005 the department had no remote contingencies.

	2005	2004
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Note 14 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	1
\$130,000 to \$139,999	1	-
\$140,000 to \$149,999	2	-
\$180,000 to \$189,999	3	-
\$260,000 to \$269,999	1	-

The aggregate amount of total remuneration of executives shown above:	\$1,314,339	\$103,440*
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The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	Nil	Nil
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*The amount reported is for the 5 month period ended 30 June 2004 and only one executive met the threshold. If the reporting period was for the full year, the total number of executives would have been 8.

Note 15 Remuneration of Auditors

Financial statement audit services are provided free of charge to DPS.

The fair value of services provided was:	\$105,000	\$95,000
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No other services were provided by the Auditor-General.

Note 16 Average Staffing Levels

The average staffing levels for DPS during the year were	846	864
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Financial statements**Notes to and forming part of the Financial Statements****Note 17 Financial Instruments (continued)****Note 17B Net Fair Values of Financial Assets and Liabilities**

		2005		2004	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Departmental					
Financial Assets					
Cash on hand	6A	6	6	6	6
Cash at bank	6A	312	312	3,695	3,695
Receivables for goods and services(net)	6B	1,861	1,861	2,633	2,633
Appropriations receivable	6B	35,711	35,711	18,570	18,570
Total Financial Assets		37,890	37,890	24,904	24,904
Financial Liabilities					
Lease creditor	8	363	363	742	742
Trade creditors	10A	3,405	3,405	3,153	3,153
Total Financial Liabilities		3,768	3,768	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 17C 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.

Financial statements

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 18 Revenues Administered on Behalf of Government		
Heritage and cultural assets donated to the Parliament of Australia	372	12
Proceeds on sale of assets	1	4
Total Revenues Administered on Behalf of Government	373	16

Note 19 Expenses Administered on Behalf of Government

Depreciation		
Buildings	37,543	15,635
Other Property, Plant and Equipment	2,310	960
Total Depreciation	39,853	16,595
Value of Assets Written-down		
Artworks	22,746	-
Value of assets sold		
Other Property, Plant and Equipment	56	166
Total Expenses Administered on Behalf of Government	62,655	16,761

Note 20 Assets Administered on Behalf of Government

Financial Assets

Receivables

GST receivable from ATO	467	224
Total Financial Assets administered on behalf of Government	467	224

All receivables are not overdue.

Non-Financial Assets

Land and Buildings

Land

At fair value	22,500	22,500
Total Land	22,500	22,500

Buildings

At fair value	1,234,131	1,271,313
At cost	17,328	6,152
Work in Progress – at cost	19,558	14,179
Total Buildings	1,271,017	1,291,644

Total Land and Buildings	1,293,517	1,314,144
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Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 20 Assets Administered on Behalf of Government (<i>continued</i>)		
Property, Plant and Equipment		
<i>Furniture, Fittings and Equipment</i>		
At fair value	614	376
Work in progress—at cost	-	80
<i>Total Furniture, Fittings and Equipment</i>	614	456
 <i>Plant and Equipment</i>		
At fair value	28,825	30,129
Work in progress—at cost	-	693
<i>Total Plant and Equipment</i>	28,825	30,822
 <i>Total Property, Plant and Equipment</i>	29,439	31,278
 Heritage and Cultural Assets		
At fair value	61,748	83,972
Work in progress—at cost	385	245
At cost	-	110
<i>Total heritage and cultural assets</i>	62,133	84,327
 <i>Total Non-Financial Assets administered on behalf of Government</i>	1,385,089	1,429,749
 <i>Total Assets Administered on Behalf of Government</i>	1,385,556	1,429,973

Financial statements

Notes to and forming part of the Financial Statements

Note 20 (continued).					
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 July 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	
Additions					
By donation			372	372	
By purchase	17,419	24	180	17,623	
By transfer from WIP	(503)	503		-	
Depreciation/amortisation expense	(37,543)	(2,310)		(39,853)	
Net revaluation / (decrement)	-	-	(22,746)	(22,746)	
Disposals					
By sale		(56)		(56)	
As at 30 June 2005					
Gross book value	1,368,447	34,016	62,133	1,464,596	
Accumulated depreciation/amortisation	(74,930)	(4,577)	n/a	(79,507)	
Net Book Value	1,293,517	29,439	62,133	1,385,089	

Notes to and forming part of the Financial Statements

Note 20 (continued)
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 2005				
Gross value	1,330,996	32,654	61,748	1,425,398
Accumulated depreciation/amortisation	(74,365)	(4,414)	n/a	(78,779)
Net book value	1,256,631	28,240	61,748	1,346,619
As at 1 July 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

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 2005	19,558	0	385	19,943
Gross value at 1 July 2004	14,179	-	245	14,424

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 21		
Liabilities Administered on Behalf of Government		
Payables		
Suppliers—trade creditors	520	336
Total Liabilities Administered on behalf of Government	520	336

All payables are current.

	2005	2004
	\$'000	\$'000
Note 22		
Administered Reconciliation Table		
Opening administered assets less administered liabilities at 1 July	1,429,637	1,441,208
Plus: Add Administered revenues	373	16
Less: Administered expenses	(62,655)	(16,761)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual Appropriations	9,770	5,179
Equity Injection	8,118	-
Transfers to OPA:		
Administered Receipts	(2)	(5)
Lapsing Appropriation	(205)	-
Closing administered assets less administered liabilities as at 30 June	1,385,036	1,429,637

Financial statements

Notes to and forming part of the Financial Statements

Note 24 Appropriations

Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2005	\$	\$	\$
Balance carried from previous year	10,253,314	22,649,220	32,902,534
Correction GST owing prior years	(26,750)	-	(26,750)
Reductions of appropriations (prior years) ¹	(195,320)	-	(195,320)
Adjusted Balance carried for previous period	10,031,244	22,649,220	32,680,464
Appropriation Parliamentary Departments Act (No.1) 2004-2005	10,600,000	93,224,000	103,824,000
Appropriation Parliamentary Departments Act (No.2) 2004-2005	-	-	-
Departmental Adjustments by the Finance Minister (Appropriation Acts)	-	-	-
Comcover receipts (Appropriation Act s13)	-	69,086	69,086
Advance to the Presiding Officers	-	-	-
Adjustment of appropriations on change of entity function (FMA Act s32)	-	24,933,000	24,933,000
Refunds credited (FMA s30)	-	1,295,612	1,295,612
Appropriation reduced by section 8 determinations (current year) ²	(10,134)	-	(10,134)
Sub-total 2004-05 Annual Appropriation	10,589,866	119,521,698	130,111,564
Appropriations to take account of recoverable GST (FMA Act s30A)	955,439	5,105,060	6,060,499
Annotations to 'net appropriations' (FMA Act s31)	-	8,577,710	8,577,710
Total appropriations available for payments	21,576,549	155,853,689	177,430,238
Cash payments made during the year (GST inclusive)	(10,519,993)	(118,999,960)	(129,519,953)
Appropriations credited to Special Accounts (excluding GST)	-	-	-
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	11,056,556	36,853,729	47,910,285

Notes to and forming part of the Financial Statements**Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)**

Particulars	Administered Expenses	Departmental Outputs	Total
<i>Represented by:</i>			
Cash at bank and on hand	-	318,024	318,024
Receivable-departmental appropriations	-	35,711,000	35,711,000
Receivables-GST receivable from customers	-	73,030	73,030
Receivables-GST receivable from the ATO	-	955,475	955,475
Receivables-departmental appropriations – drawing rights withheld by the Finance Minister (FMA s 27(4))	-	-	-
Formal reductions of appropriations	-	91,000	91,000
Receivables-departmental appropriations (appropriation for additional outputs)	-	-	-
Payables-GST payable	-	(294,801)	(294,801)
Undrawn, unexpired administered appropriations	11,056,556	-	11,056,556
Total	11,056,556	36,853,729	47,910,285

¹ The Finance Minister may determine amounts of administered appropriations to be lapsed, having regard to expenses incurred. Under the administered funding agreement (Note 1.18), annual funding of \$0.66m is quarantined and any amount of these funds that remain uncommitted at 30 June, lapse. In 2004-05 DPS recognised \$195,320 in lapsed funding from 2002-03 and 2003-04.

² The Finance Minister issued a determination to reduce the administered appropriation by \$10,134 for an amount that had been drawn down but remained unspent at 31 January by the former Joint House Department. This amount was subsequently spent by DPS and DPS will seek reimbursement of this amount at 2005-06 Additional Estimates.

Financial statements

Notes to and forming part of the Financial Statements

Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

As a result of an ANAO performance audit of the management of Net Appropriation agreements (Section 31 agreements), it was determined that the former Department of the Parliamentary Library (DPL) and the former Joint House Department (JHD) did not have Section 31 agreements covering the period 1 July 1997 to 30 April 1998 and the period 1 July 1997 to 23 June 1998 respectively. However, each of the former departments operated and recorded monies as though a Section 31 agreement did exist for the period concerned.

Section 31 receipts for the period where there was no agreement amounted to \$33,964 for DPL and \$3,497,387 for JHD. The absence of Section 31 agreements meant that those departments did not have control over those monies, and therefore the amounts available for spending in the 1997-98 financial year were overstated in the financial statements for that year by \$33,964 for DPL and \$3,497,387 for JHD.

In 1997-98, total appropriations available were:

	DPL	JHD
Appropriation Parliamentary Departments Act (No.1) 1997-98	15,284,000	35,122,000
Receipts covered by a Section 31 agreement	3,620	20,976
Total appropriations available	15,287,620	35,142,976
Payments made	14,877,906	35,098,150
Difference	409,714	44,826

In accordance with the budgeting framework applying in that financial year, the "Section 31" receipts not covered by a Section 31 agreement, being \$33,964 for DPL and \$3,497,387 for JHD, lapsed and were therefore not available to those departments in future years.

Financial statements

Notes to and forming part of the Financial Statements

Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

Particulars	Administered Expenses	Departmental Outputs	Total
	Outcome 1		
	\$	\$	\$
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 recognised 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 24 Appropriations (continued)**

Note 24B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Other than Ordinary Annual Services Appropriations

Particulars	Administered	
	2005	2004
Year ended 30 June		
Balance carried from previous year	Nil	Nil
Appropriation Parliamentary Departments Act (No.2) 2004-2005	11,700,000	Nil
Appropriations to take account of recoverable GST (FMAAs 30A)	811,815	Nil
Total appropriations available for payments	12,511,815	Nil
Cash payments made during the year (GST inclusive)	8,929,967	Nil
Balance of Authority to Draw Cash from the CRF for Other Than Ordinary Annual Services Appropriations	3,581,848	Nil
<i>Represented by:</i>		Nil
Undrawn, unexpired administered appropriations	3,581,848	Nil
Total	Nil	Nil

Financial statements**Notes to and forming part of the Financial Statements****Note 24 Appropriations (continued)**Note 24C: 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 2005 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 legal basis 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.

	2005	2004
	\$	\$
Comcare Account		
<i>Legal Authority: Safety Rehabilitation and Compensation Act 1998</i>		
<i>Purpose: for the purpose of distributing compensation payments in accordance with this Act.</i>		
Balance carried from previous period	32,139	34,798
Receipts	334,700	114,134
Available for payments	366,839	148,932
Payments made	(349,747)	(116,793)
Balance carried to next year held by DPS	17,092	32,139
<i>Represented by:</i>		
Cash – held by DPS	17,092	32,139

Financial statements

Notes to and forming part of the Financial Statements

Note 25 Specific Payment Disclosures

	2005	2004
	\$	\$
No Act of Grace Payments were made during the reporting period, pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> (2004: No payments).	<u>Nil</u>	<u>Nil</u>
No waivers of an amount owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2004: No waivers)	<u>Nil</u>	<u>Nil</u>
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2004: No payments).	<u>Nil</u>	<u>Nil</u>
No ex-gratia payments were provided for during the reporting period. (2004: No payments)	<u>Nil</u>	<u>Nil</u>
Three payments were made during the reporting period under section 66 of the <i>Parliamentary Service Act 1999</i> (2004: No payments).	<u>98,478</u>	<u>Nil</u>

Notes to and forming part of the Financial Statements**Note 26 Reporting of Outcomes**

The department uses activity-based costing principles to attribute its shared items. Personnel costs are allocated to output groups based on the number of staff, other corporate costs are allocated on an equal share. The model also attributes the costs of providing other internal services between output groups. These are computing services, telecommunication services and accommodation services. Costs are allocated to other output groups based on the number of computing connections, the number of phone connections and the floor space occupied respectively.

Note 26A Net cost of Outcome Delivery

	Outcome 1	
	2005	2004
	\$'000	\$'000
Administered expenses	62,655	16,761
Departmental expenses	119,386	47,643
Total expenses	182,041	64,404
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Departmental	2,094	1,532
Total costs recovered	2,094	1,532
<i>Other external revenues</i>		
Administered revenues	2	16
<i>Total Administered</i>	2	16
Departmental		
Revenue from disposal of assets	45	28
Other	500	191
Goods and Services from Related Entities	4,640	5,214
<i>Total Departmental</i>	5,185	5,433
Total other external revenues	5,187	5,449
Net cost of outcome	174,760	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 26 Reporting of Outcomes (continued)

Note 26B Major Classes of Departmental Revenue and Expenses by Outputs

Outcome 1	Output 1				Output 2			
	Output Group 1.1		Output Group 1.2		Output Group 2.1		Output Group 2.2	
	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Expenses								
Employees	9,216	4,072	4,173	1,074	13,111	6,440	6,884	2,287
Suppliers	1,290	1,590	1,932	847	2,774	2,618	6,024	3,321
Depreciation and amortisation	655	701	1,723	374	1,579	1,598	8,816	2,856
Other expenses	214	341	374	182	222	126	218	125
Borrowing costs	-	-	-	-	-	-	-	-
Total departmental expenses	11,375	6,704	8,202	2,477	17,686	10,782	21,942	8,589
Funded by:								
Revenues from government	11,778	6,458	8,046	2,553	16,974	9,910	20,505	6,558
Sale of goods and services	67	1	38	1	1,108	359	2,195	912
Other operating revenue	16	-	16	-	18	26	18	7
Total departmental revenues	11,861	6,459	8,100	2,554	18,100	10,295	22,718	7,477

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26C Major Classes of Departmental Revenue and Expenses by Outputs (continued)

Outcome 1	Output 3						Total	
	Output Group 3.1		Output Group 3.2		Output Group 3.3		Outcome 1	
	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Expenses								
Employees	12,228	5,689	1,419	931	10,517	4,539	57,548	25,032
Suppliers	18,317	3,024	863	570	9,964	3,478	41,164	15,448
Depreciation and amortisation	5,269	310	6	52	1,061	380	19,109	6,271
Other expenses	249	48	20	9	231	39	1,528	870
Borrowing costs	7	11	-	2	30	9	37	22
Total departmental expenses	36,069	9,082	2,309	1,564	21,803	8,445	119,386	47,643
Funded by:								
Revenues from government	32,296	4,058	992	1,026	22,285	8,341	112,876	38,904
Sale of goods and services	1,920	4,924	1,297	519	109	30	6,734	6,746
Other operating revenue	381	97	31	18	65	71	545	219
Total departmental revenues	34,598	9,079	2,319	1,563	22,459	8,442	120,155	45,869

Financial statements

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26D Major Classes of Administered Revenue and Expenses by Outcome

	Outcome 1	
	2005	2004
	\$'000	\$'000
Administered Revenues		
Revenue from sale of assets	2	4
Heritage and cultural assets donated to the Parliament of Australia	371	12
Total Administered Revenues	373	16
Administered expenses		
Depreciation and amortisation	39,853	16,595
Write down	22,746	-
Value of assets sold	56	166
Total Administered Expenses	62,655	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.

Appendices

Appendices

Appendix A—Consultancy services 2004-05

Table 1: New consultancies valued at \$10,000 or more during 2004-05

Consultant name	Description	Contract price (GST inclusive) (1)	Selection process (2)	Justification (3)
WalterTurnbull	Internal audit services	Standing Offer (\$72,747 in 04-05)	Open Tender	C
Tennant Hydraulic Consulting Services Pty Ltd	Risk assessment of water leaks in Parliament House	\$11,694	Select Tender	C
Dale Boucher & Associates	Provision of investigation services	\$13,090	Direct Sourcing	A
SAP Australia	Review of SAP upgrade scope	\$46,691	Direct Sourcing	B
Webb Australia Group (ACT) Pty Ltd	Electrical engineering consultancy package	\$50,727	Open Tender	B
Steensen Varming (Australia) Pty Ltd	Parliament House energy systems strategic plan	\$129,818	Open Tender	C
3CS AsiaPacific	Review of the preventative conservation program for the Parliament House Art Collection	\$30,818	Select Tender	A
Steensen Varming (Australia) Pty Ltd	Minimum outdoor air requirements at Parliament House	\$53,677	Open Tender	C
(1) Contract price:				
The figures quoted indicate the total contract price for the relevant agreement, rather than actual contract expenditure for 2004-05. The Deed of Standing Offer for WalterTurnbull contains no contract price, and therefore the actual expenditure for 2004-05 was inserted in its place.				
(2) Selection process:				
The descriptions of the selection processes are taken from the <i>Commonwealth Procurement Guidelines</i> which are available at: www.finance.gov.au/ctc/commonwealth_procurement_guide.html				
(3) Key to 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 DPS			

Appendices

Table 2: Consultancies valued at \$10,000 or more commissioned during 2004-05 under standing offers established in previous financial years

Consultant name	Description	Contract price (GST inclusive) (1)	Selection process (2)	Justification (3)
Advance FM Pty Ltd	Provision of building management services—condition index report	\$23,895	Direct Sourcing	B
Bligh Voller Nield Pty Ltd	Provision of architectural and design advice—office workstations	\$28,341	Open Tender (for original standing offer)	C
LFA (ACT) Pty Ltd	Provision of architectural and design advice—Senate print room	\$21,967	Open Tender (for original standing offer)	C
Rudds Consulting Engineers	Provision of engineering advice—review of lighting	\$10,560	Open Tender (for original standing offer)	B
Mallesons Stephen Jacques	Provision of legal services—review of furniture procurement	\$21,349	Select Tender (for original standing offer)	D
Australian Government Solicitor	Provision of legal services—advice about legislation	\$20,330	Select Tender (for original standing offer)	B
Key Energy & Resources Pty Ltd	Provision of energy consultancy services—greenhouse gas abatement	\$10,956	Direct Sourcing	C
(1) Contract price:				
The figures quoted in Table 2 indicate the total contract expenditure against the official order or purchase order raised under the relevant standing offer during 2004-05.				
(2) Selection process:				
The descriptions for the selection process are taken from the <i>Commonwealth Procurement Guidelines</i> which are available at: www.finance.gov.au/ctc/commonwealth_procurement_guide.html				
(3) Key to 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 DPS			
D	Need for an independent study			

Glossary

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 past 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 Parliament House, 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.

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.

Glossary

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.

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 their 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 a financing transaction. 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
APP	Annual Procurement Plan
AFP-PS	Australian Federal Police – Protective Service
ASL	Average staffing level
AWA	Australian Workplace Agreement
BCI	Building Condition Index
BFG	Broadcast Facsimile Gateway
BMG	Building Management Group
BSARS	Broadcasting Services Asset Replacement Strategy
CA	Certified Agreement
CANG	Certified Agreement Negotiating Group
CCTV	Closed-circuit television
CEIs	Chief Executive’s Instructions
CEPs	Chief Executive’s Procedures
CEMP	Contractor Environmental Management Plan
CG	Corporate Group
CPGs	<i>Commonwealth Procurement Guidelines</i>
CRF	Consolidated Revenue Fund
CSBH	Client Support, Broadcasting and Hansard Group
DII	Design Integrity Index
DPL	Department of the Parliamentary Library
DPRS	Department of the Parliamentary Reporting Staff
DPS	Department of Parliamentary Services
EAP	Employee assistance program
ESCI	Engineering Systems Condition Index
EMMS	Electronic Media Monitoring Service
EMMU	Electronic Media Monitoring Unit

Acronyms and abbreviations

EMS	Environmental Management System
ESD	Ecologically sustainable development
Finance	Department of Finance and Administration
FMIS	Financial management information system
FCI	Furniture Condition Index
FOI Act	<i>Freedom of Information Act 1982</i>
FTA	Free Trade Agreement
FTE	Full-time equivalent employees
GBAPs	General briefs and publications
GDP	General Distribution Product
GJ	Gigajoule (a joule is a measure of energy; giga is 10 ⁹)
GRI	Global Reporting Initiative
HMS	House Monitoring Service
HRMIS	Human resource management information system
ICT	Information and communications technology
IRS	Information and Research Services Group
ITACS	Information, Technology and Communications Services Group
JHD	Joint House Department
kL	Kilolitre (1,000 litres)
LCI	Landscape Condition Index
LCR	Local Control Room
LRMS	Library Resources and Media Services Group
LSL	Long service leave
MOA	Memorandum of agreement
MOU	Memorandum of understanding
MPPs	Mandatory procurement procedures
NAA	National Archives of Australia
NLA	National Library of Australia

Acronyms and abbreviations

OHS	Occupational health and safety
OHS Act	<i>Occupational Health and Safety (Commonwealth Employment) Act 1991</i>
OneOffice	Parliamentary computing platform
ParlInfo	Parliamentary information system
PBS	Portfolio budget statement
PHAC	Parliament House Art Collection
POITAG	Presiding Officers' Information Technology Advisory Group
PMAS	Personnel Management and Support
PSCC	Protective Security Coordination Centre
PSS	Parliamentary Security Service
RFP	Request for proposal
Senate Order	<i>Senate Order for Departmental and Agency Contracts</i>
SES	Senior Executive Service
SFG	Security and Facilities Group
SMB	Security Management Board
SMCG	Senior Management Coordination Group
SMSP	Senators' and Members' Services Portal
SOE	Standard operating environment
TARDIS	Time and Activity Recording Data Information System
TBL	Triple bottom line
TIPS	Threat Image Projection System
WIPI	Web Interface to ParlInfo
WTMD	Walk-Through Metal Detector

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Quantity	44
Sub-output 2.2	
Price	56
Quality	50
Quantity	55
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Price	64
Quality	58
Quantity	63
Sub-output 3.2	
Price	66
Quality	64

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