

Part 5—Management and accountability

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376 This Part provides information on DPS’s management and corporate governance practices, and how it meets its accountability obligations. It includes several specific reports required under Commonwealth legislation.

Corporate governance

Introduction

377 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 DPS, similar, but not identical, to those of the Minister administering a Department of State.

378 The Presiding Officers are assisted by several committees, including the Joint House Committee, the Joint Standing Committee on the Parliamentary Library and the Presiding Officers’ Information Technology Advisory Group. The role of each of these committees is outlined below.

Committees advising the Presiding Officers

Joint House Committee

379 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.

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

Joint Standing Committee on the Parliamentary Library

381 The Joint Standing Committee on the Parliamentary Library was established by motions of the Senate and the House of Representatives on 7 December 2005. The terms of reference of the committee are to:

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- (a) consider and report to the Presiding Officers on any matters relating to the Parliamentary Library referred to it by the President or the Speaker;
- (b) provide advice to the President and the Speaker on matters relating to the Parliamentary Library;
- (c) provide advice to the President and the Speaker on an annual resource agreement between the Parliamentary Librarian and the Secretary of the Department of Parliamentary Services; and
- (d) receive advice and reports, including an annual report, directly from the Parliamentary Librarian on matters relating to the Parliamentary Library.

382 At the commencement of each Parliament, six Senators and seven Members of the House of Representatives are appointed to meet together as the Joint Standing Committee on the Parliamentary Library.

383 Additional information about the role and functions of the Joint Standing Committee on the Parliamentary Library can be found in Part 2 of this report (see paragraphs 86 to 89).

Presiding Officers' Information Technology Advisory Group

384 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

385 One of the primary mechanisms for testing departmental frameworks and controls is through the internal audit program, overseen by the DPS Audit Committee. The Audit Committee has an independent chair, Mr Will Laurie. At the end of the reporting year, the other members were the Deputy Secretary, the Parliamentary Librarian and one Assistant Secretary.

386 The functions of the Committee are set out in DPS Governance Paper No. 7, issued in August 2004 and amended in June 2006. These are to:

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- (a) approve DPS’s annual or strategic audit plans, and to request the preparation of any such audit plan as the Committee considers necessary;
- (b) ensure flexibility in such audit plans as to accommodate additional audits that the Secretary of DPS or the Executive Committee may commission from time to time;
- (c) review any audit report that involves any matter of concern to the Secretary or other senior management in DPS, and to identify and disseminate good practices;
- (d) advise the Secretary on action to be taken on matters of concern raised in any report of an internal auditor or in a report about DPS by the ANAO;
- (e) coordinate, as far as practicable, internal audit programs and the DPS audit programs conducted by the ANAO; and
- (f) advise the Secretary on the preparation and review of DPS’s financial statements.

387 Much of the Audit Committee’s work in 2004-05 involved a major assessment of the control framework of the new department. This work provided the basis for the 2005-06 audit program, including aspects of the DPS risk management regime and continuing compliance testing in areas such as delegations and legislation.

388 The Audit Committee met six times during 2005-06. Members’ attendance at the meetings was as follows:

Figure 37—Audit Committee attendance

| Member | Position | Attendance | No of possible meetings |
|-----------------------|---|-------------------|--------------------------------|
| Will Laurie | Independent Chair | 6 | 6 |
| David Kenny | Deputy Secretary | 6 | 6 |
| John Walsh | Assistant Secretary, Corporate Group | 1 | 2 |
| Andrew Smith | Assistant Secretary, Infrastructure Services Branch | 6 | 6 |
| Roxanne Missingham | Parliamentary Librarian | 2 | 3 |

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Executive Committee

389 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.

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

Finance Committee

391 The Finance Committee is an essential part of DPS's corporate governance arrangements, and consists of the Secretary, the Deputy Secretary, the Parliamentary Librarian and the Chief Finance Officer. The role of the Finance Committee is recognised in the Resource Agreement made between the Secretary and the Parliamentary Librarian (see paragraphs 90 to 94 in Part 2 of this report).

392 The Finance Committee's role 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;
- (d) monitor the progress of approved projects for expenditure of asset replacement and administered funds; and
- (e) formulate DPS policy on all financial matters.

Other governance matters

Risk management policy and framework

393 The implementation of the DPS Risk Management Policy and Framework continued during 2005-06. Each branch considered its operational environment to ensure that existing risk assessments and controls remained current and that all new risks were assessed and proposed treatments identified.

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394 Work also continued on consolidating the fraud control plans of the former departments to create a single fraud control policy and framework and Fraud Control Plan for the new department in accordance with the Commonwealth Fraud Control guidelines. Each branch completed fraud risk assessments of its operations and the results of those assessments were incorporated in a draft Fraud Control Plan 2006-2008, which was finalised in October 2006.

395 During 2005-06 preparations began for the development of a DPS-wide business continuity plan which will incorporate existing plans and provide a consistent approach to business continuity planning. DPS's response to a pandemic forms part of our business continuity planning.

396 Discussions on developing a Parliament-wide business continuity plan were held during the year with the chamber departments and external stakeholder organisations. This work will continue during 2006-07.

397 To improve awareness of the department's risk management practices, the DPS Risk Register portal is being redesigned to provide greater assistance to staff assessing and managing risks. DPS staff have also undertaken training provided by Comcover on various aspects of risk management, and further risk management and fraud control training will take place during 2006-07.

Corporate Plan

398 The DPS Corporate Plan 2004-07 provides the broad strategic direction for DPS. It recognises that DPS is a relatively new department and that work is required to establish systems and processes by which the organisation is directed and controlled. The development of a new Corporate Plan is to commence in early 2007.

Business planning policy and framework

399 A business planning policy and framework was implemented during the 2005-06 financial year. The framework provides for the Executive Committee to decide strategic business direction and priorities each year, having regard to DPS's Outcome Statement and Corporate Plan. Each branch then develops a business plan that includes initiatives designed to implement the strategic direction, as well as deliver ongoing services and facilities.

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

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401 Existing performance indicators will be reviewed during 2006-07. Business planning and reporting content and processes will also be reviewed and improvements are expected to be implemented during 2006-07.

DPS service charter

402 DPS is currently conducting a review of all services provided by the department with a view to producing and publishing a service charter and services catalogue.

Appropriate ethical standards

403 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 including the Corporate Plan 2004-2007, the fraud control policy and framework, guidelines on the acceptance of gifts and benefits, and procurement procedures, 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.

People management and strategy

Staffing, salary and classification structures

Remuneration for Senior Executive Service (SES) employees

404 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.

405 Current AWAs were negotiated between employees and the Secretary of DPS. 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 \$107,000 to \$163,280.

Performance-based pay arrangements for non-SES staff

406 The department does not provide performance-based bonuses for non-SES staff. Salary advancement is based upon performance assessment of individuals as required by the certified agreements and performance management arrangements.

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407 The certified agreements for DPS staff provide for an annual salary increase subject to the achievement of an overall rating of “Effective” or higher through the performance management arrangements.

408 Increases in salary and allowances were paid in conjunction with certification of the new agreements in July 2005 for staff other than Parliamentary Security Service (**PSS**) staff, and February 2006 for PSS staff. Both agreements provided for an initial 4% increase, although, as a result of combining 37 different classification levels into 8, some salary points required a larger increase to bring them within the replacement classification.

Overview of classification structures

409 Figure 38 sets out the non-SES classifications and salary ranges for DPS staff as at 30 June 2006.

Figure 38—Classification and salary ranges as at 30 June 2006

| Classification | Salary range |
|---------------------------------|---------------------|
| Parliamentary Service Level 1 | \$33,073 - \$39,024 |
| Parliamentary Service Level 2 | \$39,120 - \$43,024 |
| Parliamentary Service Level 3 | \$44,049 - \$46,169 |
| Parliamentary Service Level 4 | \$46,778 - \$51,503 |
| Parliamentary Service Level 5 | \$52,432 - \$56,648 |
| Parliamentary Service Level 6 | \$57,042 - \$65,391 |
| Parliamentary Executive Level 1 | \$71,055 - \$81,563 |
| Parliamentary Executive Level 2 | \$82,214 - \$97,282 |

410 The single eight-level classification structure for non-SES employees was created under the *Department of Parliamentary Services Certified Agreement 2005-2008*, certified in August 2005, and the *Department of Parliamentary Services (Parliamentary Security Service) Certified Agreement 2006-2008*, certified in February 2006. Staff translated into the new structure at their current salary and will progress through the salary range based on performance.

411 The new eight-level classification structure replaced 37 different classifications, some of which covered several different classification titles. As well, there are two broad-banded classifications applicable in certain parts of DPS (PSL1/2 and PSL2/3), and apprentices are paid a proportion of the salary applicable to the classification in which they are employed.

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412 Figure 39 sets out staffing numbers, by classification (including the broad-banded and apprenticeship levels separately), as at 30 June 2006.

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Figure 39—Staff numbers as at 30 June 2006

| 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 |
| Apprentice 1/2 | | | | | 1 | 1 | | | | | 1 | 1 | 2 |
| Apprentice 2/3 | | | | | 2 | 1 | | | | | 2 | 1 | 3 |
| PSL 1/2 DPS | 82 | 8 | | | 12 | 1 | | | 32 | 2 | 126 | 11 | 137 |
| PSL 2/3 DPS | 25 | 1 | | | 1 | | | | | | 26 | 1 | 27 |
| PSL 1 DPS | 12 | 1 | 3 | | 1 | | | | 4 | 9 | 20 | 10 | 30 |
| PSL 2 DPS | 6 | 15 | 11 | 29 | | 2 | | | 2 | | 19 | 46 | 65 |
| PSL 3 DPS | 36 | 29 | | 6 | 2 | 2 | | | | | 38 | 37 | 75 |
| PSL 4 DPS | 60 | 32 | 2 | 7 | 3 | 3 | | | 4 | 3 | 69 | 45 | 114 |
| PSL 5 DPS | 37 | 21 | 1 | 6 | | 3 | | | 1 | 8 | 39 | 38 | 77 |
| PSL 6 DPS | 81 | 60 | 1 | 16 | 1 | 2 | | | | 4 | 83 | 82 | 165 |
| PEL 1 DPS | 85 | 32 | 4 | 8 | 3 | | | | | | 92 | 40 | 132 |
| PEL 2 DPS | 25 | 14 | | 1 | 2 | | | | | | 27 | 15 | 42 |
| Senior Executive Service B1 | 4 | 5 | | | | | | | | | 4 | 5 | 9 |
| Parliamentary Librarian | | 1 | | | | | | | | | | 1 | 1 |
| Senior Executive Service B3 | 1 | | | | | | | | | | 1 | | 1 |
| Secretary | | 1 | | | | | | | | | | 1 | 1 |
| Totals | 454 | 220 | 22 | 73 | 28 | 15 | | | 43 | 26 | 547 | 334 | 881 |

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Management of human resources

Introduction

413 In the reporting year the People Management and Strategy Section (**PMAS**) continued to work on developing a range of policies and guidelines on personnel and workplace relations issues. Other substantial activities undertaken by the section were:

- (a) negotiation of a new DPS PSS certified agreement;
- (b) development and implementation of policies related to the two new certified agreements;
- (c) undertaking a tender process for a salary sacrifice provider; and
- (d) implementation of a new payroll/human resources system.

414 The departmental restructure resulted in the transfer of the security vetting function into PMAS.

415 A continuous improvement review of PMAS under the certified agreements will be conducted in 2007, which will see a review of work practices within PMAS. Conversion to a single payroll/human resources system provides the opportunity to improve payroll processing and human resource management.

Workforce planning, staff retention and turnover

416 During the reporting year there were 167 staff separations, 62% of which were of ongoing employees.

417 The total staff turnover for 2005-06 was 17%. There was a 14% turnover in ongoing employees—up from 11% in 2004-05.

418 For ongoing employees, 55% of separations resulted from resignations and 26% resulted from retirements. Of the retirements, nearly half (11.6% of the total separations) were redundancies. The remainder were transfers or promotions to the Australian Public Service under section 26 of the *Parliamentary Service Act 1999*.

419 Non-ongoing employees and contractors continued to be used as a means of managing short-term increases in workloads and project activity.

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420 PMAS provides standard monthly staffing reports to the Executive.

Staff development and training

421 DPS provides a range of development opportunities to staff.

422 A performance management working party was formed to develop a new performance management scheme for DPS, which was implemented under the new certified agreements. The individual development plans prepared under the performance management scheme have been a key avenue for identifying development needs.

423 A range of external training courses and a number of in-house workshops were delivered throughout the year to assist supervisors in conducting effective performance management discussions.

424 Sixty-five staff members received support for study. Support included a combination of time to attend study activities and financial assistance towards compulsory costs.

Workplace relations

425 The focus of activity in this year was on negotiating and implementing two new certified agreements, one for most DPS employees and the other for PSS employees (see paragraphs 20 to 22 in Part 1 of this report).

Workplace diversity

426 The workplace diversity plan for 2005-07 which was developed in 2005 continued to build on existing activities which support workplace diversity in DPS.

Occupational health and safety (OHS)

427 The DPS OHS Committee met seven times during the year. The work of the committee has primarily been directed at reviewing and rationalising existing OHS policies and procedures from the predecessor departments to ensure that they meet the requirements of a larger and more diverse department.

428 The OHS Committee also commissioned a group to review the use of SafetyMAP as DPS's OHS management system auditing tool. The group reported in December 2005 with a recommendation to continue with SafetyMAP as the basis for our OHS management system. The Executive Committee has accepted this recommendation.

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429 During the year, eight incidents were notified to Comcare in accordance with section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* (the **OHS Act**). This was an encouraging reduction from 23 incidents in 2004-05. The incidents reported involved two dangerous occurrences and six injuries defined as serious personal injuries, including a potentially dangerous occurrence where sparks came out of a motor unit on a roller door, and an incident in which a gym instructor injured an ankle while instructing an exercise class.

430 Each incident was examined by DPS and remedial action was taken where necessary. Comcare undertook a review in relation to four previous investigations. Comcare concluded that all recommendations related to those investigations had been satisfactorily implemented by DPS.

431 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

432 DPS has three roles under the Commonwealth Disability Strategy (**CDS**).

Provider Role

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

434 In relation to physical changes in the building, the Building and Security Projects section ensures that all projects are carried out in accordance with the Building Code of Australia (**BCA**). The BCA requires that Australian Standard 1428 (disabled access requirements) are met in any new works. During 2005-06 there were no individual projects carried out that related specifically to disabled access.

Employer Role

435 As required under section 18 of the *Parliamentary Service Act 1999*, DPS has a workplace diversity program. The *DPS Workplace Diversity Program 2005-07* includes provisions to ensure that the department's employment policies and procedures support equitable working conditions for employees, including those with disabilities.

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436 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 2005-06.

437 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.

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

Purchaser Role

439 All departmental tender documents include provisions requiring contractors to meet their obligations, where applicable, under the *Disability Discrimination Act 1992*.

Ecologically sustainable development and environmental performance

440 DPS facilitates and coordinates sustainability issues on behalf of all the parliamentary departments.

441 This report, prepared in accordance with the reporting requirements of section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the **EPBC Act**), addresses ecologically sustainable development and environmental performance for 2005–06 for all parliamentary departments.

442 A more detailed Parliament House Environmental Performance Report for 2005-2006, using the international Global Reporting Initiative (**GRI**), is available on the DPS web site at <http://www.aph.gov.au>.

DPS’s activities and administration of legislation

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

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444 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 Australian Capital Territory environmental legislation, and with State legislation where applicable.

445 DPS places a significant emphasis on environmental performance, demonstrated in part by including two specific 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

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

447 The outcomes of the parliamentary departments, specified in the Appropriations (Parliamentary Departments) Acts for 2005-06, are as follows:

- (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.

448 None of these outcomes directly contributes to ecologically sustainable development. However, Sub-output 3.3 in the DPS Portfolio Budget Statement 2005-06 requires reductions in energy and water consumption and greenhouse gas emissions, and improvements in the rate of recycling at Parliament House. These required outcomes would assist DPS in reducing the environmental impact of parliamentary operations.

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449 Reference to these specific expectations can be found under Sub-output 3.3, paragraphs 342 to 354. The detailed Parliament House Environmental Performance Report is available at <http://www.aph.gov.au>.

Effect of activities on the environment

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

451 In the course of its operations, the Parliament has 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.

Measures to minimise environmental impact

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

Energy use

453 In 2005-06 DPS continued to purchase 10% green energy to reduce greenhouse gas emissions resulting from Parliament House's use of energy.

454 The Department of the House of Representatives energy saving policy 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

455 Strategies to reduce water use included:

- (a) experimenting with drought-resistant grasses;
- (b) installing water meters on water displays to enable us to identify ways of reducing the water consumption of these displays; and
- (c) installing five waterless urinals during refurbishment of the Health and Recreation Centre and trialling microbial cubes that reduce the volume of water used in urinals.

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Recycling and waste management

456 The ongoing review of waste management and recycling strategies led to further reductions in the volume of waste going to landfill by:

- (a) increasing the recycling of materials removed from Parliament House;
- (b) continuing review and reduction of the size of print runs, especially in the chamber departments;
- (c) recycling 28,000 lamps and fluorescent tubes (an increase of around 20% over 2004-05); and
- (d) recycling 4.19 tonnes of used print cartridges (an increase of around 13% over 2004-05).

457 The 2004-05 Annual Report advised that further analysis of the impact of commingled recycling on Loading Dock labour and the cleaning contractor would be undertaken. Because the volume of material collected from commingled recycling was small, no adverse labour impacts were experienced by Loading Dock or cleaning staff. Modelling has now been completed that demonstrates the potential impact of increased commingled recovery rates on Loading Dock staff and the cleaning contractor.

Purchasing

458 During 2005-06 DPS complied with the *Commonwealth Procurement Guidelines*, 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 in particular the Department of Environment and Heritage guidelines on environmentally-friendly purchasing.

459 The purchase of technology by the Department of the Senate focussed on minimising resource consumption, including power, the 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 for the standing offer for desktop computer equipment for the Parliament, which is now in operation.

460 In the Department of the House of Representatives, "Green purchasing" formed an integral part of purchasing selection criteria,

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and was used in major purchases including chairs, refrigerators, dishwashers and fax machines. Elements such as energy consumption, sustainable manufacturing techniques, the reuse of parts on obsolete equipment and the return of packaging were included.

Communication and promotion

461 The environmental portal, accessible through the Parliament House web site <http://www.aph.gov.au>, facilitates access to environmental information relating to operations at Parliament House.

Mechanisms for review

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

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

464 In 2005-06 a significant amount of the DPS EMS was reviewed and updated.

465 When convened, one of the initial tasks of a new interdepartmental Environmental Management Committee (EMC) will be to oversee the extension of the EMS to cover all parliamentary departments. This will become a major focus in the second half of 2006-07.

466 A review of environmental coordination across the parliamentary administration led to the development of a paper recommending a new EMC comprising senior officers from the three parliamentary departments and the Ministerial Wing. This proposal will be considered in early 2006-07.

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Purchasing

Overview

467 The purchasing of property and services by DPS during 2005-06 was conducted with the aim of realising core business objectives, while achieving operational effectiveness and value-for-money outcomes. Purchasing was managed in accordance with the Commonwealth Procurement Guidelines (**CPGs**) of January 2005, and DPS Chief Executive's Instructions and supporting procedures.

468 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 use of resources; and
 - (iii) conducting our business in an environment of accountability and transparency;
- (b) to support the business requirements of each branch within the department through a focus on better-practice procurement; and
- (c) to involve small to medium enterprises wherever practicable.

469 DPS has in place a procurement unit, accredited in accordance with Government Skills Australia competencies, 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

470 During 2005-06, 16 new consultancies were entered into involving total actual expenditure of \$225,677 (GST inclusive). In addition, 24 ongoing consultancy contracts were in place from previous years, involving total actual expenditure of \$859,343 (GST inclusive) during the reporting year.

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

472 It is the policy of DPS to engage external consultants where they will 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) skills are currently unavailable within the department;
- (b) a need for specialised or professional skills; and
- (c) a need for independent research or assessment.

473 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).

474 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.

475 Particulars of consultancy contracts awarded to the value of \$10,000 or more during 2005-06 are shown in Table 1, Appendix A.

Competitive tendering and contracting

476 During 2005-06, DPS did not conduct any competitive tendering and contracting processes that involved contracting out the delivery of government activities, previously performed by a Commonwealth agency, to another organisation.

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Exempt contracts

477 During 2005-06, 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

478 The Parliament House building has a current replacement cost of \$1.64 billion and an expected remaining life of 182 years. The building represents a public investment, is a 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.

479 DPS is responsible for assets 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.

480 The asset management systems used by DPS include a building management system, a maintenance management system, life cycle management, condition monitoring, 100-, 20- and 5-year asset management plans, performance standards and benchmarking. These systems are used in combination to ensure that appropriate levels of condition and serviceability are maintained in a cost-effective manner. The systems are supported by a team of professional engineers, planners and trade staff.

481 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 4 of this report.

482 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 89.7% for a cost of \$46.87 per square metre.

483 The Landscape Condition Index for 2005-06 was rated at 87%; a 2% increase over last year. This reflects the completion of

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the security wall project and the restoration of drought-affected turf areas, which have restored the landscape to some extent.

484 The Australian Capital Territory is still experiencing below-average rainfall and water restrictions are still in place. A water strategy is being developed that includes researching warm season grasses that are more water efficient for use at Parliament House. DPS managed to maintain a generally high standard of landscape while achieving the required water savings.

485 A research trial was started to evaluate 14 new varieties of buffalo grass. Past trial data has shown that buffalo grass is 40% more water efficient than Canberra's traditional cool season grasses. This trial will help DPS in selecting varieties suited to our site.

486 A two-year project has commenced to replant the 6,000 plants lost during the four drought years. DPS staff will look closely at what plants have survived and use this information to help reduce the impact from future dry periods.

487 DPS's other major assets comprise information technology, telecommunications, broadcasting and security infrastructure, equipment and systems, and the art collection. A departmental plant and equipment stocktake is conducted annually, including information technology and office equipment, and the details recorded in the DPS asset register are confirmed or amended. During 2005-06, DPS was one of four organisations reviewed by the ANAO in relation to the management of infrastructure, plant and equipment assets, with the ANAO finding that DPS's asset management processes are sound (see paragraph 491 below).

Accountability

External scrutiny

ANAO audits

488 During 2005-06, DPS was the subject of external performance and compliance audits by the ANAO in relation to its financial statements for the period ending 30 June 2005. These audits were unqualified.

489 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. As a parliamentary department, DPS is not required to comply with the

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Senate Order, but has chosen to do so. DPS was not selected for review during the 2005 calendar year.

490 There were two ANAO reports during 2005–06, however, which directly involved DPS:

- (a) No. 37—*The Management of Infrastructure, Plant and Equipment Assets* (3 May 2006); and
- (b) No. 51—*Implementation of the Parliamentary Resolutions Arising From the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament* (28 June 2006).

491 DPS was one of four entities reviewed in relation to the management of infrastructure, plant and equipment assets (Report No. 37). The ANAO provided a comprehensive management report following this review, noting that DPS's asset management processes are sound, and:

- (a) finding that, overall, the control environment over DPS's asset management functions was satisfactory;
- (b) acknowledging DPS's stated intention to include asset-related planning in future business planning processes;
- (c) finding that DPS has sound processes for the planning, monitoring and approval of asset acquisitions, and supporting DPS's current initiatives to further strengthen arrangements for asset replacement planning;
- (d) judging DPS's performance in regard to the management of the operation of its assets as good; and
- (e) noting that, at the time of the audit, DPS was developing detailed instructions to guide staff on making disposal-related decisions, which were expected to further assist in the management of asset disposal decisions.

492 DPS was the main focus of Report No. 51. The audit objectives were to report on the implementation of the parliamentary resolutions and other actions arising out of the six recommendations made in the final report entitled *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*. The audit also broadly examined the impact of implementation of the parliamentary resolutions on aspects of:

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- (a) the level of services provided to the Parliament generally following amalgamation of the three former parliamentary departments into the Department of Parliamentary Services; and
- (b) accommodation space within Parliament House.

493 In summary, the ANAO key findings included the following:

... the substance of the PSC Review Recommendation 1 and the consequent Presiding Officer's [sic] decisions, in November 2002, in relation to physical security have been met.

While not all the efficiencies envisaged by the PSC Review have been realised, DPS nevertheless absorbed reductions of approximately \$6 million per annum in departmental appropriations and advised that there were only minor changes to its services.

... two of the three parliamentary resolutions regarding the Parliamentary Library have been implemented. In respect of the outstanding matter, the DPS Secretary and the Parliamentary Librarian plan to implement the final outstanding parliamentary resolution, the development of an annual resourcing and services agreement, which will commence with the 2006-07 financial year.

Overall, ... eight of the nine parliamentary resolutions arising out of the final PSC Review have been partly or fully implemented. The ANAO acknowledges the significant effort made by DPS to implement the parliamentary resolutions.

494 The audit report contains one recommendation aimed at improving the measurement and reporting of DPS service levels. The ANAO also identified for consideration some aspects of the administration of the Parliament that would benefit from further strengthening, including:

- (a) greater strategic planning in relation to Parliament House security and ICT; and
- (b) more formal processes for planning major initiatives and procurement of common items.

495 Before the report was published, work had already begun on general improvements to our strategic planning processes and on

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increasing joint procurement activity among the parliamentary departments.

Senate Committees

496 A resolution of the Senate provides that no changes in the structure or responsibilities of the parliamentary departments should be made until:

- (a) particulars of proposed changes have been provided to all Senators;
- (b) the Standing Committee on Appropriations and Staffing has examined the proposed changes and reported to the Senate; and
- (c) the Senate has approved of the changes.

497 The Secretary and Deputy Secretary of DPS attended a meeting of the Senate Standing Committee on Appropriations and Staffing in September 2005 to discuss the proposed restructure of the department (see paragraphs 5 to 13 in Part 1 of this report). As a result of this meeting, committee members were given access to an intranet portal created specifically for the purpose of communicating information about the restructure and progress during the process. The Committee did not report to the Senate about the proposed restructure.

498 DPS appeared before the Senate Finance and Public Administration Committee considering the department's estimates on three occasions during 2005-06, 31 October 2005, 13 February 2006 and 22 May 2006.

Other scrutiny

499 DPS was not subject to any judicial decisions or decisions of administrative tribunals, nor did the Ombudsman report on the activities of DPS in 2005-06.

Freedom of information

500 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 that Act.

501 DPS maintains documentation on its daily operations, the Parliamentary Library catalogue, the Hansard record, a large number

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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).

502 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 and Business Management.

503 In 2005–06, one request for information was received and the requested information was provided.

Discretionary grants

504 DPS does not administer any discretionary grant programs.

Advertising costs

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

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

506 Figure 40 below sets out amounts over \$1,500 paid by DPS during the reporting year. No money was paid to any organisation covered in paragraph (b), (c) or (d).

Figure 40—Advertising costs

| Supplier | Item | Amount \$ (GST inclusive) |
|-----------------|----------------------------|--|
| HMA Blaze | Recruitment advertisements | 62,282 |
| HMA Blaze | Tender advertisements | 2,226 |
| HMA Blaze | Open Day advertisements | 2,568 |
| Canberra Times | Floriade advertisements | 2,595 |

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| Supplier | Item | Amount \$ (GST inclusive) |
|--|---|--|
| Australian Capital Tourism Corporation | Advertisements for 2006 holiday planner and ACTC visitor centre | 7,055 |
| Bytes N Colour | Design and printing services for advertisements for Open Day | 2,029 |
| Canberra Convention Centre | Advertising in the 2005 <i>Meeting Planners Guide</i> | 3,300 |
| Sampson Communications Aust Pty Ltd | Advertising in the <i>Big Book of Australia</i> | 3,977 |
| TW Media | Advertising in <i>This Week in Canberra</i> | 5,600 |
| ZOO | Visitors' Guide reprints | 45,823 |
| ZOO | Presentation folders | 4,315 |
| ZOO | Advertising for Open Day | 2,149 |
| ZOO | Advertising for Canberra Times holiday planner, Floriade and <i>This Week in Canberra</i> | 1,547 |
| ZOO | Promotional brochures | 6,306 |
| ZOO | Magna Carta reprint | 4,164 |
| Total | | 155,936 |

Legal Services expenditure

507 The *Legal Services Directions 2005* (paragraph 11.1(ba)) require publication of expenditure on legal services. During 2005-06, DPS spent the following amounts on legal services:

Figure 41—Legal services expenditure

| Services | Amount \$ (GST exclusive) |
|---|--|
| Total legal services expenditure—all external | 69,942.26 |
| External expenditure on solicitors | 69,715.36 |
| Administrative disbursements on external legal services | 226.90 |