

The Auditor-General
Audit Report No.51 2005–06
Performance Audit

**Implementation of the Parliamentary
Resolutions Arising From the
*Review by the Parliamentary Service
Commissioner of Aspects of the
Administration of the Parliament***

Department of Parliamentary Services

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Canberra ACT
28 June 2006

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the Department of Parliamentary Services in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit and the accompanying brochure. The report is titled *Implementation of the Parliamentary Resolutions Arising From the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name.

Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office. The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

For further information contact:
The Publications Manager
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Telephone: (02) 6203 7505
Fax: (02) 6203 7519
Email: webmaster@anao.gov.au

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Audit Team

David Crossley
Kraig Lowes

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Glossary/Abbreviations

AFP	Australian Federal Police
Chamber departments	The Department of the Senate and the Department of the House of Representatives
CHRIS	Complete Human Resource Information System
DPL	Department of the Parliamentary Library
DPRS	Department of the Parliamentary Reporting Staff
DPS	Department of Parliamentary Services
DPS Certified Agreements	To the extent permitted by the <i>Workplace Relations Act 1996</i> , the <i>Department of Parliamentary Services Certified Agreement 2005–2008</i> and the <i>Department of Parliamentary Services (Parliamentary Security Service) Certified Agreement 2006–2008</i> are the primary instruments for the terms and conditions of employment for the employees of the Department of Parliamentary Services.
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMIS	Financial Management Information System
Former service provision departments	The Department of the Parliamentary Library, the Department of the Parliamentary Reporting Staff, and the Joint House Department
HRMIS	Human Resource Management Information System
ICT	Information Communication and Technology
IT	Information Technology
JCPAA	Joint Committee of Public Accounts and Audit
JHD	Joint House Department

MoU	Memorandum of Understanding
Presiding Officers	The President of the Senate and the Speaker of the House of Representatives
PSC Review	Parliamentary Service Commissioner's Review— <i>Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament</i>
PSS	Parliamentary Security Service
SMB	Security Management Board
SMCG	Senior Management Coordination Group
TSG	Transition Steering Group

Summary and Recommendation

Summary

Background

1. In April 2002, the Parliamentary Service Commissioner was commissioned by the Presiding Officers—the President of the Senate and the Speaker of the House of Representatives—to review the administration of the Parliament. The Parliamentary Service Commissioner presented an interim report, dealing only with security matters at Parliament House, to the Presiding Officers in June 2002. The matters raised in this interim report were ultimately considered by the Senate Standing Committee on Appropriations and Staffing and the resolutions arising from the Committee’s review were endorsed and adopted by the Senate on 18 November 2002.
2. The Parliamentary Service Commissioner presented his final report, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament* (PSC Review), to the Presiding Officers on 30 September 2002. The report was subsequently tabled in the Parliament on 23 October 2002.
3. The final PSC Review made six major recommendations and five associated part recommendations aimed at improving parliamentary administration. The main areas covered by the PSC Review were: security; management and corporate functions; purchasing; amalgamation of the three service departments; independence of the library; and the arrangements to manage the implementation process.
4. The final PSC Review was subsequently also considered by the Senate Standing Committee on Appropriations and Staffing. The Committee’s recommendations arising from this review were then passed, as a series of resolutions, in each House of the Parliament in August 2003.
5. This performance audit, *Implementation of the Parliamentary Resolutions Arising From the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*, arose out of advice by the Joint Committee of Public Accounts and Audit (JCPAA), in August 2003, that the administration of the parliamentary departments represented an audit priority of the Parliament.
6. The audit objectives were to report on the implementation status of the parliamentary resolutions and other actions arising out of the six

recommendations made in the final PSC Report, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*.

7. The audit also broadly examined the impact of implementation of the parliamentary resolutions on aspects of:

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

8. The designated audit agency was the Department of Parliamentary Services (DPS).

Key findings

Security (Chapter 2)

9. The ANAO observed that there had been an improvement in the management and coordination of Parliament House security services since the Senate's acceptance of the Senate Standing Committee on Appropriations and Staffing report that reviewed the Parliamentary Service Commissioner's June 2002 interim report on security, and the November 2002 Presiding Officers' decision to establish the Security Management Board (SMB) as a permanent body and to centralise the security function within one parliamentary department.

10. The security function is now centrally located in DPS and the SMB has an overarching management role in the formulation of policies and procedures and in the monitoring of key aspects of service provision. In addition, the SMB has sought expert advice when formulating changes or enhancements to security arrangements and has similarly sought to include security experts in its membership.

11. There are some outstanding issues to be addressed by DPS, for example, matters associated with the transfer of security related funding. However, DPS advised that these matters have not adversely impacted on the provision of day-to-day operational security services. Further, the ANAO suggests that there is scope for other improvements that could be initiated by DPS, such as the SMB adopting a security strategic plan, and consideration of the development and implementation of a form of service level agreement for the provision of physical security services with each of the Chamber

departments (the Department of the Senate and the Department of the House of Representatives).

12. The ANAO found that the substance of the PSC Review Recommendation 1 and the consequent Presiding Officer's decisions in November 2002 in relation to physical security have been met.

Amalgamation (Chapter 3)

13. The ANAO acknowledges the significant efforts undertaken by DPS to form the new department as a result of the amalgamation of the three former service provision departments.

14. Amalgamation was a significant organisational change, with a potential to affect services to the Parliament. A Transition Steering Group (TSG) was established to oversee transition tasks for the amalgamation, and the new DPS Executive Committee also had a significant role in establishing the new policies for DPS. However, the ANAO considers that a more formal planning process could have been put in place to assist with the implementation of the amalgamation.

15. The ANAO found in relation to the establishment of a shared services centre, that whilst consideration of personnel processing by DPS for the Chamber departments occurred in February 2005, the parliamentary departments decided, around this time, to choose differing Human Resource Management Information Systems (HRMIS). A similar situation has occurred in relation to the Financial Management Information Systems (FMIS). This has not provided a foundation for the parliamentary departments to efficiently move in the future towards a shared services centre.

16. The PSC Review estimated that the amalgamation of the departments would generate cost efficiencies in the order of \$5 million to \$10 million a year once fully implemented. A 2003–04 Budget decision reduced appropriations to the parliamentary departments by approximately \$6 million per annum commencing in 2004–05, which DPS has absorbed. Of this amount, DPS has identified approximately \$2 million per annum as savings directly attributable to the amalgamation, offset by the estimated \$1.6 million cost of amalgamation as at 30 January 2006. 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.

The Parliamentary Library (Chapter 4)

17. The parliamentary resolutions specifically covered three areas associated with the operations of the Parliamentary Library. The parliamentary resolutions encouraged the creation of the statutory position of the Parliamentary Librarian; supported the reinforcement of the independence of the Parliamentary Library by strengthening the role of the Library committees; and, required the development of an annual resourcing and services agreement.

18. The ANAO found that two of the three parliamentary resolutions regarding the Parliamentary Library have been implemented. In respect to the outstanding matter, the DPS Secretary and the Parliamentary Librarian plan to implement an annual resourcing and services agreement, which will commence with the 2006–07 financial year.

The Senior Management Coordination Group (Chapter 5)

19. Two PSC Review recommendations that specifically referred to responsibilities of the Senior Management Coordination Group (SMCG) were not included in the August 2003 parliamentary resolutions.

20. PSC Review Recommendation 3, for the SMCG to assume greater responsibility for the coordination of Information and Communication Technology (ICT) had not been adopted. The SMCG did, however, continue to receive reports from the DPS ICT adviser and the Web Managers' Group. The ANAO also noted that a DPS and Parliament-wide ICT strategic plan was still to be developed. The ANAO considers that the establishment of the new Strategic Planning and Policy area in DPS is an important initiative that could provide resources and other assistance to allow the SMCG to assume a more strategic focus on ICT issues. DPS advised that due to its significant role in the management of ICT, it is in the process of addressing a number of the responsibilities of coordinating ICT for Parliament House.

21. The second PSC Review recommendation, number 4, not included in the parliamentary resolutions was that formal responsibility for procurement of common items be given to the SMCG. The ANAO noted that the process for coordinating procurement across the parliamentary departments was still largely an informal process.

Measurement of client services (Chapter 6)

22. The ANAO notes that a framework is in place to measure and report service levels in respect of the number, time expended and the price of the delivery of services. However, the ANAO considers that there is scope to improve how service levels are measured by including timeliness or responsiveness indicators as part of quality assessments.

23. An independent survey could objectively measure client satisfaction across all areas of DPS services. The ANAO considers that a survey of the 41st Parliament could provide a measure of client satisfaction in a post-amalgamation environment.

24. Documented levels of service for key services could provide an avenue for consultation on services required, timeliness, number and cost. A service level agreement with key stakeholder groups, once developed, could be used in monitoring service levels, simultaneously providing a management tool and a client service reporting regime.

25. DPS has advised the ANAO that it will be reviewing its performance indicators in the near future. The ANAO also noted that the DPS Certified Agreements specified Continuous Improvement Reviews as one method for developing more cost-effective and efficient service delivery.

Parliament House accommodation (Chapter 7)

26. Parliament House is a unique work location, serving the needs of 226 Parliamentarians in enabling them to represent the people and make laws. Parliament House was officially opened on 9 May 1988.

27. The ANAO notes that since 1984 there have been nine reviews/inquires into accommodation space in the new Parliament House. Central to all of the accommodation reviews is the shortfall of accommodation space within Parliament House. The reviews found that there are numerous factors contributing to this situation, including increased numbers of parliamentary staff and Parliamentary Secretaries, and changing needs of clients. The ANAO notes that staffing numbers in the parliamentary departments have not yet declined significantly since the PSC Review was presented to the Presiding Officers. In 2006, the SMCG outlined a strategy to assess short and long-term accommodation requirements of all occupants of Parliament House.

Overall audit conclusion

28. Overall, the ANAO concluded that 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.

29. The audit report contains one recommendation aimed at improving the measurement and reporting of DPS service levels.

30. The ANAO also identified for consideration, some aspects of the administration of the Parliament that would benefit from further strengthening, including: greater strategic planning in relation to Parliament House security and ICT; and more formal processes for planning major initiatives and procurement of common items.

DPS' response to the audit

Response to recommendation

DPS agrees that the development of measurable indicators for the nature, timeliness, numbers and cost of its key services would assist monitoring and reporting and would also be more generally useful.

DPS also agrees that these indicators should ideally be developed in consultation with key stakeholder groups. DPS notes, however, that structured consultation, or reaching agreement, with some of our key stakeholder groups will be difficult, because of problems in identifying members of the groups or problems in finding representative bodies to speak for them (eg, visitors or potential visitors to Parliament House; potential applicants for Parliament House passes; users or potential users of Parliamentary Library research made available on the <www.aph.gov.au> website).

DPS considers that, except for the Department of Finance and Administration, most if not all stakeholders are ultimately represented by the Presiding Officers; this means that, whatever consultation is undertaken, agreements on measurable indicators will generally be between DPS and the Presiding Officers.

Several substantial bodies of work done since the creation of DPS to clarify and rationalise the services provided by DPS have laid the groundwork for the development of indicators as recommended:

- (a) the preparation of a consolidated Services Directory in 2004;

- (b) the review in 2005 of all departmental activities in preparation for the February 2006 restructure;
- (c) the restructure itself;
- (d) close Finance Committee monitoring of departmental spending since mid-2005; and
- (e) provision in the two new DPS certified agreements for continuous improvement reviews across the department.

As well, since the ANAO fieldwork was undertaken, DPS's performance indicators have been substantially revised for the 2006-2007 Portfolio Budget Statement. There is more work to be done, however, and performance indicators across the department will be the subject of a major review in the first half of the 2006-07 year.

Other comments

DPS agrees that there would be benefit in developing ICT strategic plans, both for the Parliament and for DPS. This work was initiated in 2004 but was then put on hold pending the restructure of the department, which among other things was aimed at improving our strategic ICT capacity. Development of these plans is now a priority for the Strategy and Business Services Branch.

Work has started on assessing progress against two recent security reviews, with a view to developing a security strategic plan.

Major contracts that affect the three parliamentary departments already involve coordinated procurement activity, with DPS generally as the lead agency (eg new contracts for the supply of travel services and IT hardware have recently been negotiated by DPS on behalf of the whole Parliamentary Service).

The next Parliament-wide client satisfaction survey will be conducted in the 2006-07 financial year.

I would like to thank you and your staff for your constructive approach to this audit. I believe that the final report will provide useful guidance for us in the next stage of the department's development.

31. The full agency response is included at Appendix 3.

Recommendation

Set out below is the ANAO's recommendation, with the abbreviated response from DPS. DPS' more detailed response is shown in the body of the report after the recommendation.

Recommendation No.1

Para. 6.20

The ANAO recommends that the Department of Parliamentary Services develops agreed measurable indicators in consultation with key stakeholder groups regarding the nature, timeliness, number and cost of its key services to assist monitoring and reporting.

Agency response: Agreed.

Audit Findings and Conclusions

1. Introduction

This chapter provides a short background on the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament and the resultant formation of the Department of Parliamentary Services. This chapter also outlines the objectives, scope and methodology for the audit, as well as the report structure.

Background

1.1 This performance audit, Implementation of the Parliamentary Resolutions Arising From the *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*, arose out of the advice in August 2003 by the Joint Committee of Public Accounts and Audit (JCPAA) that the administration of the parliamentary departments represented an audit priority of the Parliament.

1.2 In April 2002, the Parliamentary Service Commissioner was commissioned by the Presiding Officers—the President of the Senate and the Speaker of the House of Representatives—to review the administration of the Parliament. The Parliamentary Service Commissioner presented an interim report, dealing only with security matters at Parliament House, to the Presiding Officers in June 2002. The matters raised in this interim report were ultimately considered by the Senate Standing Committee on Appropriations and Staffing and the resolutions arising from the Committee’s review were endorsed and adopted by the Senate on 18 November 2002.

1.3 The Parliamentary Service Commissioner presented his final report, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament* (PSC Review), to the Presiding Officers on 30 September 2002. The report was subsequently tabled in the Parliament on 23 October 2002.

1.4 The PSC Review made six major recommendations and five associated part recommendations aimed at improving parliamentary administration. The main areas were: security; management and corporate functions; purchasing; amalgamation of the three service departments; independence of the library; and the arrangements to manage the implementation process.

1.5 The most significant recommendation made by the PSC Review was to amalgamate the three joint service provision departments, the Joint House Department (JHD), the Department of the Parliamentary Library (DPL) and the Department of the Parliamentary Reporting Staff (DPRS), into one—now

formed as the Department of Parliamentary Services (DPS). The two Chamber departments, the Department of the House of Representatives and the Department of the Senate, were not to be amalgamated as they are specifically established by the *Parliamentary Service Act 1999*. As such, the PSC Review stated that ‘the need to maintain the constitutional and institutional independence of the Senate and the House of Representatives would seem to require that any proposal to rationalise parliamentary departments would leave intact two independent Chamber departments, each reporting independently and exclusively to the relevant Presiding Officer’.¹

1.6 Following presentation of the final PSC Review to the Parliament, it was subsequently considered by the Senate Standing Committee on Appropriations and Staffing. The Senate Standing Committee on Appropriations and Staffing has special responsibilities of inquiry into the parliamentary departments. This Senate Standing Committee is established by Senate Standing Order 19 of the Parliament and a resolution of the Senate has declared:

that no changes in the structure or responsibilities of 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.²

1.7 The Senate Standing Committee on Appropriations and Staffing subsequently reviewed the proposed changes to the administration of the Parliament recommended by the PSC Review. The Committee made recommendations to the Senate for adoption generally corresponding to the Parliamentary Service Commissioner’s report. The House of Representatives has no equivalent committee.

1.8 A series of resolutions actioning the Senate Standing Committee on Appropriations and Staffing recommendations were then passed in each

¹ Parliamentary Service Commissioner, 2002, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, Canberra, p. 45.

² Commonwealth of Australia, Procedural text - Parliamentary Departments, Senate Hansard, 03 June 1987, p. 3420, Senator George Georges.

House of the Parliament. The recommendations from the relevant reports are detailed in Appendix 1.

1.9 A summary table of some of the major milestones in relation to the implementation of the parliamentary resolutions is included in Appendix 2.

Responsibility for the parliamentary departments

1.10 The parliamentary departments are unique entities within the legal body of the Commonwealth of Australia in that they are not creations of the Executive. Their status derives from the Constitution whereby a Westminster model of responsible government is established through the separation of the Parliament from the Executive Government and the Judiciary.

1.11 The parliamentary departments, both prior to and following the amalgamation, are distinct from the Departments of State established under the *Public Service Act 1999*. The parliamentary departments are established under the *Parliamentary Service Act 1999* that also provides an employment power separate from the *Public Service Act 1999*. Their key accountability obligation is to the Parliament. This is contrasted to other Australian Government agencies where the key accountability obligation is to the Executive Government. Even though DPS is not a Department of State, it is a *Financial Management and Accountability (FMA) Act 1997* agency.

1.12 The Presiding Officers jointly have the ultimate responsibility for the control and management of Parliament House and its immediate surroundings (the precincts), including the administration of DPS. The Presiding Officers have these responsibilities under the *Parliament Act 1974*, the *Parliamentary Service Act 1999*, and the *Parliamentary Precincts Act 1988*. They also have overall responsibility for security services and may, subject to any order of either House, take any action they consider necessary for the control and management of the precincts. The Presiding Officers' powers in the Ministerial Wing are subject to any limitations and conditions agreed between the Presiding Officers and the Executive Government.

1.13 The Secretary of a parliamentary department, under the Presiding Officers, is responsible for managing the relevant department and must advise the Presiding Officers on matters relating to the department. The Secretary must also assist the Presiding Officers to fulfil the Presiding Officers' accountability obligations to the Parliament and provide factual information, as required by the Parliament, in relation to the operation and administration of the department.

1.14 In addition, as the chief executive of an FMA agency, the Secretary of DPS has other responsibilities. For example, the Secretary is directly responsible for the financial management of the agency whereby Section 44 of the FMA Act requires the Secretary of DPS to manage the affairs of DPS in a way that promotes the efficient, effective and ethical use of Commonwealth resources.

Parliamentary resolutions

1.15 The PSC Review was presented to the Presiding Officers for consideration on 30 September 2002.

1.16 In accepting the intent of the PSC Review recommendations, the House of Representatives made seven resolutions and the Senate 11 resolutions. The resolutions broadly related to security, consideration of management and corporate functions, the amalgamation of the three parliamentary service provision departments and the creation of the new department—DPS, and the Parliamentary Librarian.

1.17 The implementation of the parliamentary resolutions represented a major administrative task for the parliamentary departments.

1.18 As noted above, a table matching the PSC's Review recommendations against the consequent parliamentary resolutions is attached at Appendix 1.

1.19 The ANAO was advised that the parliamentary resolutions were drafted by the Private Secretary to the President of the Senate at his request. The resolutions were subsequently moved in a meeting of the Senate Standing Committee on Appropriations and Staffing, and were adopted by that Committee and included in its report. The resolutions were then moved in each Chamber by the Presiding Officers. The ANAO notes that some of the recommendations of the PSC's Review contained in the Appendix 1 Table are not exactly the same as the parliamentary resolutions; however, the ANAO considers that most have the same intent if not the same wording. Also, the parliamentary resolutions do not cover all the details of the PSC's recommendations. In addition, there are two resolutions that were not specifically based on the PSC's recommendations. The two resolutions relate to:

- any savings achieved from the amalgamation may be used to offset increases in costs of security measures approved by the Presiding Officers, but if those increases in costs exceed those savings, the

appropriations for the parliamentary departments are to be supplemented for the excess; and

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

Audit objectives and scope

1.20 The audit objectives were to report on the implementation status of the parliamentary resolutions and other actions arising out of the six recommendations made in the final PSC Report, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*.

1.21 The audit also broadly examined the impact of the implementation of the parliamentary resolutions on aspects of:

- the level of services provided to the Parliament generally following the amalgamation of the three former parliamentary departments into DPS; and
- accommodation space within Parliament House.

Audit methodology

1.22 The audit methodology consisted of:

- interviews with key staff members from the Department of the House of Representatives and the Department of the Senate;
- interviews with DPS Executives;
- seeking a submission from DPS on its views in relation to the implementation of the relevant parliamentary resolutions arising out of the PSC Review, and the challenges presented in relation to the amalgamation;
- requesting, via email, comment from Members and Senators in relation to the implementation of the recommendations arising out of the PSC Review;
- reviewing DPS information and files;
- analysis of performance information in annual reports of the departments, pre-amalgamation and post-amalgamation; and

- analysis of staffing numbers within the parliamentary departments.

1.23 The audit was conducted in conformance with ANAO auditing standards and cost approximately \$260 000.

Structure of the report

1.24 This report is structured as follows:

- Chapter 2—Security. This chapter discusses the high-level management control arrangements for physical security at Parliament House. Particular consideration is given to the operations of the Security Management Board, and its oversight of the PSC Review recommendation, subsequent Senate resolution and Presiding Officers' decision relating to the creation of a centralised security organisation within DPS. The ANAO did not examine or assess the operational elements of security at Parliament House.
- Chapter 3—Amalgamation. This chapter discusses the processes for, and the financial implications of, the amalgamation of the three parliamentary service provision departments into DPS. This chapter also discusses the implementation of Parliamentary Resolution 1(f)—to consider the establishment of a shared services centre after the establishment of the new department.
- Chapter 4—The Parliamentary Library. This chapter examines the steps taken to implement the parliamentary resolutions regarding the Parliamentary Library. Broadly, the parliamentary resolutions were made concerning: the establishment of the statutory position of Parliamentary Librarian and that this position has direct reporting responsibilities to the Presiding Officers and to the Library committees; the reinforcement of the independence of the Library committees; and that an annual resources and services agreement be established.
- Chapter 5—The Senior Management Coordination Group. This chapter discusses the two PSC Review recommendations that did not form part of the final parliamentary resolutions but which refer specifically to the Senior Management Coordination Group. These recommendations were in relation to the strategic coordination of Information and Communication Technology and the coordination for procurement of common items.

- Chapter 6—Measurement of Client Services. This chapter discusses how DPS services that are provided to parliamentary clients are reported as well as whether there was any measurable impact on client services generally after amalgamation.
- Chapter 7—Parliament House Accommodation. This chapter discusses the accommodation arrangements at Parliament House as well as the impact of the parliamentary resolutions on accommodation arrangements generally.

2. Security

This chapter discusses the high-level management control arrangements for physical security at Parliament House. Particular consideration is given to the operations of the Security Management Board, and its oversight of the PSC Review recommendation, subsequent Senate resolution and Presiding Officers' decision relating to the creation of a centralised security organisation within DPS. The ANAO did not examine or assess the operational elements of security at Parliament House.

The Security Management Board

2.1 The *Parliamentary Precincts Act 1988* gives the Presiding Officers responsibility for the control and management of Parliament House and its immediate surroundings (the precincts). Accordingly, the Presiding Officers are also responsible for security within the precincts. After the events of 11 September 2001 the general security situation changed worldwide and security measures were re-examined at Parliament House. As a result of this new security environment, the Presiding Officers set up the Security Management Board (SMB), which had its first meeting on 15 March 2002.

2.2 The membership of the first SMB consisted of four permanent members: the Usher of the Black Rod, the Serjeant-at-Arms, the Security Controller and the Secretary of the then JHD as chair. Members from the former departments of the Parliamentary Reporting Staff and the Parliamentary Library were members where Parliament-wide or department specific issues arose. The newly formed SMB also invited participants from other areas of Parliament House and Australian Government entities. For example, these included, at different times, Attorney-General's Department, Department of Finance and Administration, Australian Federal Police (AFP) and the Protective Security Coordination Centre.

2.3 The SMB was required to report to the Presiding Officers, and required their approval for security policies and procedures. The SMB commissioned various security reviews, covering both the external and internal environs. These reviews underpinned changes and upgrades to security at Parliament House. All changes required approval from the Presiding Officers before they could be effected.

2.4 In the PSC Review, it was reported that 'apart from the role of the Presiding Officers, current Parliament House security governance

arrangements are complex and confounded'.³ The Chamber departments undertook the management of their own security and the remainder of the Parliament was controlled by the former JHD, with contracted assistance from the AFP Protective Services. There was no single person or body responsible for all aspects of Parliament House security at that time.

2.5 The PSC Review further noted that the newly-formed SMB has no decision-making authority, no budget-management role, no secretariat support and no dedicated management resource to advise on strategic and planning issues.

2.6 The ANAO considers that even though the SMB does not have decision-making powers, it serves an essential purpose in providing a consultative forum for all areas of the Parliament to discuss security issues. In addition, it also serves as a forum to develop and produce policies and procedures for the consideration of the Presiding Officers. Operational matters regarding security operations were, and still are, reported to the SMB on a regular basis.

2.7 The PSC Review also discussed the need for a consolidated budget and centralised operational area to be responsible for security. The Presiding Officers' decision in following the PSC Review recommendations allowed for the centralisation of the security function in one area and therefore combined the budgeting for security under a single management structure, while still maintaining the security services to both Chamber departments.

2.8 Although the SMB does not have a budget *per se*, it is able to submit funding proposals to the relevant DPS committee. As a matter of protocol, any significant proposals are generally submitted to the Presiding Officers for approval first. As such the SMB participates in the process of resource allocation in regard to security. Once approved, the SMB has a role in overseeing the implementation and installation of capital maintenance and improvement initiatives or changes to security personnel rosters.

2.9 As the decision making power for security matters lies with the Presiding Officers, it is appropriate for the SMB to only have an advisory role. Given it does not have decision making powers, it follows that it does not require direct budget management responsibilities. As reflected in the SMB

³ op. cit, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, p. 14.

minutes, it does consider and advise the Presiding Officers on operational security and security asset budgets.

2.10 The ANAO noted that the SMB minutes reflected, over time, there has been improvement in the security coordination arrangements after the centralisation of the security function. Furthermore, the deployment of the AFP and Parliamentary Security Service (PSS) officers was re-examined, leading to some re-deployment of AFP personnel and their replacement with PSS staff at the entrance of the Ministerial Wing.

2.11 After the Senate's resolution and the Presiding Officers' decision to centralise the security function in 2003, the SMB was renamed the Interim Security Management Board and then became a permanent body called the Security Management Board. On 1 April 2005 Section 65A of the *Parliamentary Service Act 1999* was enacted, creating the SMB as a statutory body. This Act states that the SMB's function is 'to provide advice as required to the Presiding officers on security policy, and the management of security measures, for Parliament House'.⁴ The Act also provides for an invitation to the heads of other organisations to attend or to be represented at the meetings. Accordingly the SMB invited the Attorney-General's Department, the AFP and the Department of Finance and Administration to attend.

Current organisational structure

2.12 The current organisational structure supporting the SMB consists of the Building Services Branch (formerly Security and Facilities), within DPS, providing centralised coordination of security activities. It is also responsible for allocating services and resources, and for providing resources for planning and policy advice on physical security matters. Two Directors in the branch are responsible for operations and planning respectively. DPS advised the ANAO that it considers the lines of responsibility and communication with the SMB are clearer now that the administration of security was in the one department. The Serjeant-at-Arms and the Usher of the Black Rod still have an important role in security policy formulation. Even though the Chamber departments no longer control the funding arrangements, their interests are represented by the inclusion of the Senior Executive Service employees of the Chamber departments nominated by the Presiding Officers, currently the Serjeant-at-Arms and the Usher of the Black Rod, on the SMB.

⁴ Section 65A (5) *Parliamentary Services Act 1999*.

2.13 DPS is not in a position to impose its own security policies on the House of Representatives and the Senate since, as a matter of practice, it presents them to the SMB for consideration.

2.14 The ANAO was advised by DPS management that, at an operational level, the PSS and the AFP are now working well as a team after two years of consolidating their working relationship. From DPS' perspective, the single operating environment is working well. This view is collaborated from the minutes of the SMB, where operational performance reports are submitted for management review on a regular basis. In addition, high level security reviews had been undertaken as identified in the PSC Review and the recommendations arising from these reviews have been substantially implemented or are scheduled to be implemented.

Security strategic plan

2.15 The suggestion by the PSC Review to develop a security strategic plan did not form part of the parliamentary resolutions. However, the PSC Review discussed strategic planning for security at Parliament House and stated that 'There is no long-term strategic security plan...' ⁵ but also mentioned the then newly created SMB and noted that its functions included 'development of a five-year strategic plan'. ⁶ The ANAO considers the development of a strategic plan to be an important step that would assist DPS in effectively managing Parliament House security. An aligned and systematic security strategic plan would assist in providing accountability and transparent reporting of achievements and progress made, as well as allowing for the identification of further gaps and revised priorities for continued improvement. The ANAO also considers that a security strategic plan should provide a clear statement about what the SMB hopes to achieve by establishing goals, objectives, priorities, outcomes, milestones and performance measures. The strategic plan would assist the SMB and DPS to report on progress made and the degree to which goals are met. While the SMB has achieved many of the tasks allocated to it, a strategic plan is still yet to be developed.

⁵ op. cit., *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, p. 15.

⁶ *ibid.*, p. 12.

2.16 DPS has recently undergone an organisational restructure and the Assistant Secretary, Building Services, DPS, advised that the new structure had an emphasis on strategic planning. A security strategic plan would tie together the other lower level plans and consolidate physical security planning.

Service provision

2.17 The parliamentary resolutions did not address the issue of security service provision at Parliament House, but the PSC Review proposed a governance model for parliamentary security. The ANAO examined if this proposed model had been implemented. In the suggested model it was planned that the SMB enter into a Memorandum of Understanding (MoU) with the Presiding Officers for the provision of security services.

2.18 The ANAO noted that there is a MoU between the Presiding Officers and the Minister responsible for the Ministerial Wing regarding certain aspects of the management of the Ministerial Wing including security. This agreement was made on 24 November 1998 and is still current.

2.19 The ANAO also noted that DPS is in the process of renegotiating its MoU with the AFP for sub-contracting of security services in relation to the parliamentary precincts.

2.20 On 5 September 2003, a MoU was entered into between the Chamber departments and the Joint House Department in relation to security services. The ANAO considers that, as proposed by the PSC Review, the SMB would not necessarily be the most appropriate entity to enter into an MoU, and further that the September 2003 MoU gives effect to the intent of the PSC model. However, the ANAO noted that, whilst still in place, the current MoU has been superseded in relation to the entities (JHD no longer exists) and the model used to fund the provision of security services.

2.21 The ANAO considers the re-articulation of agreed security service levels to be provided to the Chamber departments, for example by way of an updated MoU or other documentation, could assist DPS in the practical management and reporting against the agreed level of performance in this area. It would also assist in any future discussions on expansion of the current level of services provided.

2.22 Since the centralisation and transfer of security budgets there has been ongoing discussion between DPS and the Chamber departments about the level of funding provided to DPS for the provision of security services and the

level of service that was covered at the time of transfer. This has caused debate because some demands on security cannot be easily anticipated due to their ad hoc nature. The number of official visitors to Parliament House and the Ministerial Wing has implications as to the number of PSS staff required to provide escorts in addition to the base level of security coverage.

2.23 Although the transfer of security funding had occurred in 2004–05, some matters, such as the transfer of funds for Comcover and Comcare payments, were still being discussed by DPS at the time of audit fieldwork. The ANAO understands that the DPS Secretary was preparing to write a submission to the Presiding Officers outlining the details of the initial transfer of security funding and the current overall status of security funding, and proposing some options for future funding arrangements for consideration.

2.24 A documented service agreement, detailing levels of service and associated costs, is common under similar service models in the Australian Public Service and would assist DPS in future. Not only could it form a basis for the provision of current security services but it could also establish a basis for the cost of ad hoc services and future price increases.

Conclusion

2.25 The ANAO observed that there had been an improvement in the management and coordination of security services since the Senate's acceptance of the Senate Standing Committee on Appropriations and Staffing report that reviewed the Parliamentary Service Commissioner's June 2002 interim report on security, and the November 2002 Presiding Officers' decision to establish the SMB as a permanent body and to centralise the security function within the one parliamentary department.

2.26 The security function is now centrally located in DPS and the SMB has an overarching management role in the formulation of policies and procedures and in the monitoring of key aspects of service provision. In addition, the SMB has sought expert advice when formulating changes or enhancements to security arrangements and has similarly sought to include security experts in its membership.

2.27 There are some outstanding issues to be addressed by DPS, for example, matters associated with the transfer of security related funding. However, DPS advised that these matters have not adversely impacted on the provision of day-to-day operational security services. Further, the ANAO

suggests that there is scope for other improvements that could be initiated by DPS, such as the SMB adopting a security strategic plan, and consideration of the development and implementation of a form of service level agreement for the provision of physical security services with each of the Chamber departments.

2.28 The ANAO concluded that the substance of the PSC Review Recommendation 1 and the consequent Presiding Officer's decisions, in November 2002, in relation to physical security have been met.

3. Amalgamation

This chapter discusses the processes for, and the financial implications of, the amalgamation of the three service provision departments into DPS. This chapter also discusses the implementation of Parliamentary Resolution 1(f)—to consider the establishment of a shared services centre after the establishment of the new department.

Introduction

3.1 Perhaps one of the more significant parliamentary resolutions, arising out of the PSC Review—Recommendation 5, was that the three service provision departments—the JHD, the DPRS and the DPL, be amalgamated (refer to Appendix 1). The PSC Review stated that ‘the need to maintain the constitutional and institutional independence of the Senate and the House of Representatives would seem to require that any proposal to rationalise parliamentary departments would leave intact two independent Chamber departments, each reporting independently and exclusively to the relevant Presiding Officer’.⁷ As such, the two Chamber departments, the Department of the House of Representatives and the Department of the Senate, were not to be amalgamated. The Parliament passed resolutions to amalgamate the three service provision departments in August 2003.

3.2 The then Speaker of the House of Representatives, the Hon. Neil Andrew MP, when addressing the House and moving the motion to create the new service provision department on 14 August 2003 stated that:

This motion seeks to achieve what has not been possible in more than a century of the life of the Parliament of the Commonwealth—namely, the rationalisation of the three joint service departments of the parliament into one...

In short, it seeks to achieve what has been attempted unsuccessfully on over 20 occasions in the past...⁸

⁷ *ibid.*, p. 45.

⁸ Australia, Parliament, *Parliamentary Departments: Proposed Department of Parliamentary Services*, the Hon. Neil Andrew MP, The Speaker of the House of Representatives, 14 August 2003.

Processes for the implementation of the PSC Review recommendations

3.3 The PSC Review stated that implementation of the Review recommendations would entail significant change to the administration of the Parliament. This would require the parliamentary departments to make significant organisational change. The PSC Review also commented that allowing for the necessary parliamentary processes and given the Parliamentary Service Commissioner's preference for the change to be implemented quickly, it was expected that an amalgamated department could be fully operational by 1 July 2003, just nine months after the PSC Review was presented to the Presiding Officers.

3.4 The PSC Review commented that the management of change would be enhanced by early appointment of the new Departmental Secretary, who could then champion the initiative and move swiftly to address implementation issues. It went on to state that experience within Executive departments has been to put the new structures in place immediately and then subsequently address details of organisational arrangements within the restructured organisations.

3.5 As stated in Chapter 1, consistent with Recommendation 5 of the PSC Review, motions were passed on 14 and 18 August 2003, in the House of Representatives and the Senate respectively, for the three service provision departments to be abolished on 31 January 2004 and for a new department to be created, on 1 February 2004 called the Department of Parliamentary Services. The Presiding Officers advised their respective Houses that the functions of the three service provision departments would be fulfilled by a new department from 1 February 2004.

3.6 After the passing of the resolutions in both Houses of the Parliament the position of Secretary of the amalgamated department was advertised. In November 2003, the appointment of the DPS Secretary was announced. The new Secretary was from outside the then current parliamentary departments' management, and was unable to commence employment with the parliamentary departments until January 2004.

3.7 The implementation of the parliamentary resolution relating to the amalgamation of the parliamentary departments was a complex exercise involving many parties. The amalgamation also needed to be achieved quickly so as to have minimal effect on the delivery of services to Parliamentarians as

both Houses of the Parliament were sitting on 10 February 2004 (discussed in Chapter 6). To assess whether a smooth and timely implementation of the parliamentary resolutions occurred in line with the PSC Review recommendations, the ANAO reviewed whether:

- a dedicated implementation team was established (PSC Review Recommendation 6); and
- there was adequate planning for their implementation.

3.8 The ANAO also examined the financial implications of the amalgamation of the three service provision departments into DPS as well as the implementation of Parliamentary Resolution 1(f)—to consider the establishment of a shared services centre after the establishment of the new department.

3.9 The ANAO notes that Recommendation 6 of the PSC Review, to establish a dedicated implementation team for the implementation of the PSC Review recommendations, did not form part of the parliamentary resolutions.

Implementation team

3.10 Given that the amalgamation of the service provision departments was likely to require significant organisational change, the PSC Review recommended that ‘A dedicated implementation team be established to manage the implementation process, headed by a senior official seconded full time to the task’.⁹

3.11 DPS advised the ANAO that whilst the formation of the new department was an amalgamation of the three former departments, it mainly involved significant changes to the corporate areas. Many of the functional areas kept operating as per usual. The process of establishing the new department, such as creating internal policies has been ongoing, but DPS advised the ANAO that it considers that it was not until the organisational restructure of 2006 that it considered itself in a structural sense, fully amalgamated.

3.12 For the 2004 amalgamation a Transition Steering Group (TSG) was established to oversee the merging of the three departments.

⁹ op. cit., *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, p. 8.

Transition Steering Group

3.13 The ANAO noted that the TSG was established following the passing of the parliamentary resolutions, specifically to oversee the amalgamation of the three departments. This group comprised the three Corporate heads of the former service provision departments. ANAO noted that there was little documentation of strategic planning and decisions, deliberations or workings of the TSG. The only documentation obtained by the ANAO was email correspondence from the TSG attaching an electronic spreadsheet task listing. From December 2003, the task listing sheet was regularly sent to DPS staff and continued until March 2004 when the remaining tasks were to be undertaken as part of the normal operations of DPS. The ANAO notes that the DPS Executive Committee held its first meeting on 24 February 2004.

3.14 The task listing spreadsheet identified mainly operational tasks, three priority codes and task numbers, functional areas and person responsible for the task, the task and outcome to be achieved, the due date and date completed, and an area for comments.

DPS Executive Committee

3.15 The ANAO also examined, through the DPS Executive Committee meeting minutes, the role the Committee of the newly formed DPS in the amalgamation of the three departments.

3.16 The ANAO noted that DPS convened its first Executive Committee meeting on 24 February 2004, approximately three weeks after the structural amalgamation had taken place. The Executive Committee comprises the DPS Secretary and Assistant Secretaries, the Deputy Secretary (from 2005), the Parliamentary Librarian (from 2005), and the Chief Financial Officer (from 2006). The responsibilities of the Executive Committee are:

- effective corporate and business planning;
- a clear and robust budgeting and financial planning framework;
- Chief Executive Officer and Chief Financial Officer sign-off to the financial reports;
- a structured and regular system of performance monitoring;
- continuous improvement; and

- other matters as directed by the Secretary.¹⁰

3.17 The ANAO examined the Executive Committee meeting minutes and noted that the Committee meetings provide a basis for exchanging information across DPS, as well as being the key forum to develop and agree corporate policies, governance papers and business plans.

3.18 The Executive Committee meeting minutes did not specifically refer to any of the parliamentary resolutions or PSC Review recommendations nor did the Committee specifically plan for or monitor the implementation of those parliamentary resolutions relevant to it. In its formative meetings the Executive Committee addressed the major issues of: the structure of the Corporate area; the administrative processes for the new department; as well as the negotiations for the two new certified agreements for DPS and DPS security staff.

3.19 The ANAO acknowledges that both Houses of the Parliament resumed sitting six working days after the amalgamation occurred. DPS advised the ANAO that this short time period between when the amalgamation occurred and when the Parliament resumed, together with the imperative that there was to be no significant detriment in services to Members and Senators, applied pressure on staff and reduced the time for significant organisational change and strategic planning to occur.

Planning

3.20 The ANAO considers that the achievement of organisational goals is more likely to be successful if organisations have a well developed implementation plan; identify and manage risks; exercise reliable project management; and have a clear communications strategy.¹¹ Similarly, clearly articulated and documented plans are an important part of managing major projects, such as the implementation of the parliamentary resolutions. The plan should provide a clear statement of project objectives to guide implementation and give a baseline against which to assess achievement. The ANAO found that there was no formal consolidated implementation plan or strategy for the implementation of the parliamentary resolutions.

¹⁰ Department of Parliamentary Services Executive Committee's Terms of Reference.

¹¹ National Audit Office, 2001, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, London, p. 11.

3.21 The ANAO notes that Recommendation 6 of the PSC Review, to establish a dedicated implementation team for the implementation of the PSC Review recommendations, did not form part of the parliamentary resolutions. In implementing the resolutions, responsibility for the oversight of the project was not specifically allocated to particular individuals, or to an amalgamation, or joint implementation, team. Such an approach would have allowed the Presiding Officers/Parliament to assess the progress of implementation as a whole; identify and address any systematic problems early in the process; and also assist the senior parliamentary managers to identify broad trends in progress in relation to the resolutions.

3.22 DPS was not solely responsible for the implementation of the parliamentary resolutions as a number of the resolutions were outside its ability to achieve at the time of the amalgamation. The ANAO considers that a separate body, as was recommended in the PSC Review, could have provided more oversight of the implementation process.

3.23 File documentation examined by the ANAO did show, however, that in relation to the amalgamation of the parliamentary departments, many tasks had been initiated and completed, and that the parliamentary resolutions had been generally discussed in various fora. Some areas for improvement and efficiency gains were identified in these discussions.

3.24 As the parliamentary resolutions entailed substantial change, with implications for all parliamentary departments, the ANAO considers that it would have been prudent for the parliamentary departments to develop a robust implementation strategy and/or plan to assist with their implementation.

3.25 The ANAO notes that DPS stated in its 2003–04 Annual Report that it would have been desirable to establish a dedicated implementation task force for the departmental amalgamation, however, a shortage of departmental resources made this problematic.

3.26 Notwithstanding the stated shortage of resources, the ANAO considers that given the significance of this major organisational change, and its potential to affect services to the Parliament, a more structured planning process should have been put in place to assist in the implementation of the parliamentary resolutions. This approach would have considered the risks and benefits of implementation, the interdependencies of the parliamentary resolutions and their impact on services and strategic direction of the departments. This

approach may have benefited DPS by also minimising the time taken and reduce the resources needed to amalgamate.

3.27 Ideally, early scenario planning would have been undertaken prior to the development of the parliamentary resolutions which could have better prepared the parliamentary departments for the amalgamation. This team could have then passed the operational responsibility for implementing the amalgamation to the TSG following acceptance of the parliamentary resolutions.

3.28 The ANAO considers that the establishment of a dedicated planning and implementation team would have assisted with the ability of DPS to provide a clear articulation of amalgamation objectives and strategies, would have identified performance information for monitoring against the objectives and timeframes, and would have identified the key risks which may have disrupted services to the Parliament.

3.29 DPS, in its 2004–05 Annual Report, stated that it did not automatically adopt the systems, structures or policies of any one of the former departments. Given this, the ANAO considers that a robust planning framework for the amalgamation would have been even more desirable.

Appointment of the new Departmental Secretary

3.30 The ANAO noted that the Presiding Officers announced the appointment of the DPS Secretary on 27 November 2003. The new Secretary was not a part of the existing three parliamentary departments' management, and was engaged temporarily from 19 January 2004—two weeks before the creation of the new department—to then be appointed as Secretary, DPS from 1 February 2004 when the department had been created.

DPS organisational restructure team

3.31 In March 2005 the DPS Secretary announced a proposal for a restructure of the new department. The restructure arose out of the DPS Deputy Secretary's review of DPS' governance arrangements for information and communications technology.

3.32 The ANAO found that a special project team was established to further the proposal and implement the change management processes for the DPS restructure. The ANAO considers the establishment of this team to have been a key initiative to ensure the success of the project.

3.33 The new organisational structure for DPS was implemented in February 2006.

Shared services centre

3.34 The PSC Review made two recommendations: a shared services centre be established—PSC Review Recommendation 2; and that services to Senators and Members not be transferred to any shared services centre until the centre is established and operating satisfactorily—PSC Review Recommendation 2.1.

3.35 The Parliamentary Resolution 1(f) of August 2003, also moved a resolution of similar intent to the two PSC Review recommendations, namely, that the Parliament consider, after the establishment of the joint service department, ‘that department providing human resources and financial transaction processing activities for all the parliamentary departments, subject to such an arrangement being proven to be both cost-effective and efficient’.¹²

3.36 The ANAO examined the systems the three parliamentary departments had in place for their Human Resource Management Information Systems (HRMIS) and the Financial Information Management Systems to assess the potential for moving towards a shared services centre in the future which could accommodate transactional processing for the two Chamber departments.

Human Resource Management Information System

3.37 DPS inherited two HRMIS/payroll systems from the three former service provision departments. The JHD had utilised Complete Human Resource Information System (CHRIS), whereas the DPRS and DPL used PeopleSoft. An evaluation of the systems was undertaken in 2004 by DPS.

3.38 On 4 June 2004, the SMCG discussed the implications of DPS’ choice of HRMIS (PeopleSoft) as its preferred system and agreed that whilst it is a decision for DPS, it could not be made in isolation of the Chamber departments, due to the possibility of some common service arrangement in the future. At its next meeting in August 2004, the SMCG discussed the review of human resources systems which the three departments were undertaking. The SMCG, at its November 2004 meeting, agreed that a formal briefing on the HRMIS selection would be provided as soon as practicable. The ANAO did not

¹² op. cit., *Parliamentary Departments: Proposed Department of Parliamentary Services*.

sight documentation to indicate further discussion of the HRMIS by the SMCG.

3.39 DPS was informed at a meeting in December 2004 that the Chamber departments had made an 'in principle' decision to proceed with the implementation of CHRIS as their HRMIS. Previously both Chamber departments had used PeopleSoft as their HRMIS.

3.40 The Secretary of DPS wrote to the Clerk of the Senate and the Clerk of the House of Representatives on 22 February 2005 to inform the two departments that DPS was to implement PeopleSoft as its preferred HRMIS from 1 July 2005, and requested that the Clerks delay a final decision on a new HRMIS in order to allow them to consider the option of outsourcing their personnel processing to DPS. The Secretary in her letter to the Clerks also outlined the reasons why DPS thought the two departments would benefit by allowing DPS to conduct personnel processing for their departments.

3.41 On 28 February 2005, the two Clerks responded to the DPS Secretary's letter and stated that the departments were not inclined to pursue the option of outsourcing their personnel services to DPS at this stage, as they were not confident that such an arrangement would result in significant savings. The Clerks also stated that an outsourced arrangement may, at some point in the future, become attractive if it were cost-effective to do so.

3.42 The Chamber departments also advised DPS on this date that they intended to proceed with the implementation of CHRIS. The Chamber departments implemented CHRIS for their HRMIS in July 2005.

3.43 DPS has advised the ANAO that the PeopleSoft system was operational in December 2005, and that DPS plans to deliver support services for this system in-house.

Financial Management Information System

3.44 Similarly, DPS inherited two Financial Management Information Systems (FMIS)—SAP was used by the JHD and Oracle was used by the DPRS and DPL. DPS advised the ANAO that JHD used SAP as its preferred system due to its maintenance and building management capabilities. Again, an evaluation of the two systems was undertaken to determine which system would best meet DPS' requirements. The SAP system was chosen for implementation, which is being conducted in two phases. The first phase of implementation commenced on 2 April 2004 with a completion date of

1 July 2004. The second phase, an upgrade of the SAP system, is expected to be completed in April 2006.

3.45 SMCG were advised on 8 April 2004 that DPS were moving to SAP, with effect from 1 July 2004. DPS advised the ANAO that the Oracle system became non-operational from this date.

3.46 The ANAO notes that the Department of the Senate implemented Finance One in January 2004 as its preferred FMIS, and that the House of Representatives use Oracle as their FMIS.

3.47 The ANAO considers that as the DPS HRMIS became operational in December 2005, and that as the expected completion date for the upgrade of the SAP FMIS implementation is April 2006, it would be impracticable for services to Senators and Members to be transferred to any shared services centre until such time as these DPS systems are fully established, proven to be stable and operating satisfactorily.

3.48 DPS has advised the ANAO that it is currently evaluating tenders for the provision of support services for its FMIS over the next three years.

3.49 The ANAO also notes that whilst it open to each department to decide on which systems it operates to manage its human resource and financial information, the decision of each of the parliamentary departments to choose differing systems has not provided a foundation for the departments to efficiently move towards a shared services centre in the future.

Financial savings

Background

3.50 A central theme of the terms of reference for the PSC Review was the identification of efficiencies that could be made within the parliamentary departments.

3.51 The PSC Review made six major recommendations (as outlined in Appendix 1) aimed at improving parliamentary administration and achieving financial efficiencies. The most significant recommendation made by the Review was to amalgamate the three joint service provision departments into one department. The Commissioner in his review concluded that in his judgement the amalgamation of the departments would generate cost efficiencies in the order of \$5 million to \$10 million a year once fully phased in.

3.52 In March 2004, a consultancy report was provided to DPS following a Financial Assessment and Due Diligence Review of the three former departments. In summary, the report estimated the extent of savings from the amalgamation at between \$2.2 million and \$2.4 million per year excluding transition costs.

3.53 The resolutions of each House of the Parliament created DPS on 1 February 2004, so therefore its first full financial year of operation was 2004–05.

3.54 The ANAO notes that with regard to the anticipated cost savings outlined in the PSC Review, the parliamentary resolutions included the following:

(1A) That any savings achieved by the amalgamation may be used to offset increases in costs of security measures approved by the Presiding Officers for Parliament House, but if those increases in costs exceed those savings, the appropriations for the parliamentary departments are to be supplemented for the excess.¹³

3.55 The ANAO did not examine the results of this parliamentary resolution in depth, as the focus of the audit was on financial savings at the broader level and whether any cost efficiencies had resulted following the amalgamation of the service departments.

3.56 Nevertheless, the ANAO noted that in 2004–05 DPS was appropriated a single capital injection of \$11.7 million for associated security measures for Parliament House. In this same year, DPS was also appropriated a one-off payment of \$1.3 million for project management and other costs associated with security enhancements of Parliament House.

3.57 The savings achieved, and supplementation funding received, by DPS from the amalgamation are discussed below.

3.58 The ANAO also briefly examined whether there were any involuntary redundancies from the amalgamation of the departments—Senate Resolution 1B. DPS advised that not all the salary savings achieved by DPS relate to staff who have taken voluntary redundancies as some staff have found other positions and left DPS without a voluntary redundancy.

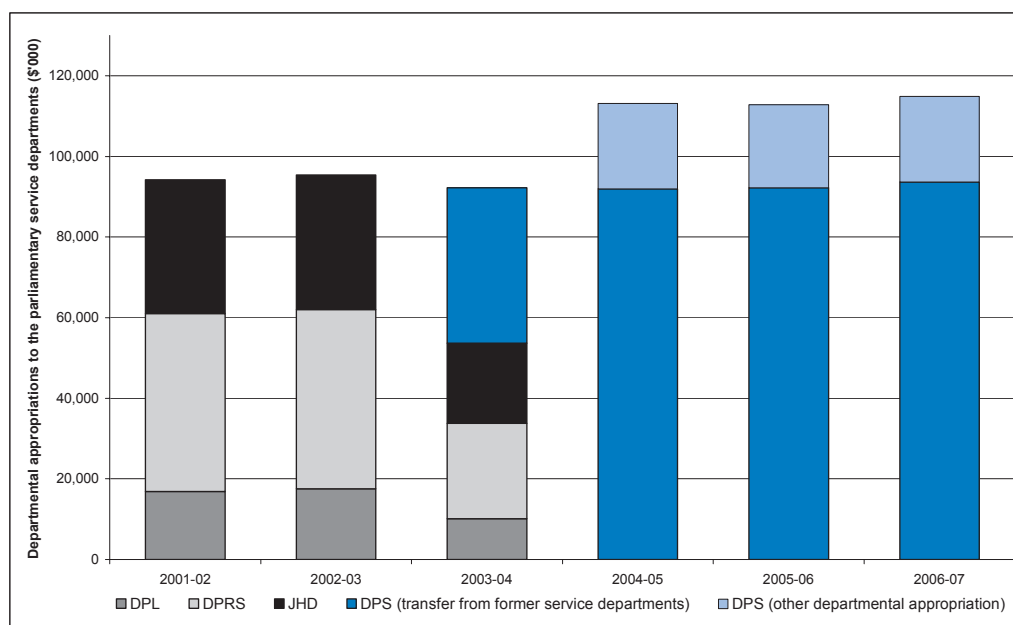
¹³ *ibid.*

Current status

3.59 Following a 2003–04 Budget decision, there was a \$6.14 million reduction in appropriations to the then five parliamentary departments, that would continue to be applied in the Budget ‘out-years’ of 2004–05, 2005–06 (\$6.26 million), and 2006–07 (\$6.39 million). Following the transfer of security funding from the Chamber departments to DPS in 2004–05 and removal of the purchase-provider costing model, the entire \$6.14 million reduction was applied to the DPS budget. DPS received a ‘one off’ amount of \$1.3 million in 2004–05 for associated security related measures and project management. Therefore, the total reduction in appropriations for that year was \$4.84 million.¹⁴ The ANAO confirmed with the Department of Finance and Administration that these deductions to base level departmental appropriations did occur.

3.60 The departmental appropriations for the service provision departments from 2001–02 through to 2006–07 are presented in Figure 3.1. The DPS appropriation has been split into two elements, representing the base appropriation transferred from the three former departments and the remaining appropriation amount, which is primarily composed of security funding transferred from the Chamber departments.

¹⁴ Department of Parliamentary Services, 2005, *Department of Parliamentary Services Annual Report and Financial Statements 2004–05*, Canberra, p. 12.

Figure 3.1**Departmental appropriations to the parliamentary service departments 2001–02 to 2006–07**

Source: ANAO analysis of Department of Finance and Administration information.

3.61 DPS has estimated the actual savings from the amalgamation at approximately \$2 million per annum. The greatest savings achieved by DPS have been through offering voluntary redundancies and through other separations. This resulted in saving of approximately \$1.5 million per annum in salaries expense. DPS has also advised that the total cost of the amalgamation as at 30 January 2006 is estimated to be approximately \$1.6 million.

Conclusion

3.62 The ANAO acknowledges the significant efforts undertaken by DPS to form the new department as a result of the amalgamation of the three former service provision departments.

3.63 Amalgamation was a significant organisational change, with a potential to affect services to the Parliament. A TSG was established to oversee transition tasks for the amalgamation, and the new DPS Executive Committee also had a significant role in establishing new policies for DPS. However, the

ANAO considers that a more formal planning process could have been put in place to assist with the implementation of the amalgamation.

3.64 The ANAO found that whilst consideration of personnel processing by DPS for the Chamber departments occurred in February 2005, the parliamentary departments decided, around this time, to choose differing HRMIS'. A similar situation has occurred in relation to the FMIS'. This has not provided a foundation for the parliamentary departments to efficiently move in the future towards a shared services centre.

3.65 The PSC Review estimated that the amalgamation of the departments would generate cost efficiencies in the order of \$5 million to \$10 million a year once fully implemented. A 2003–04 Budget decision reduced appropriations to the parliamentary departments of approximately \$6 million per annum commencing in 2004–05, which DPS has absorbed. Of this amount, DPS has identified approximately \$2 million per annum as savings directly attributable to the amalgamation, offset by the estimated \$1.6 million cost of amalgamation as at 30 January 2006. 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.

4. The Parliamentary Library

This chapter examines the steps taken to implement the parliamentary resolutions regarding the Parliamentary Library. Broadly, parliamentary resolutions were made concerning: the establishment of the statutory position of Parliamentary Librarian and that this position has direct reporting responsibilities to the Presiding Officers and to the Library committees; the reinforcement of the independence of the Library committees; and that an annual resources and services agreement be established.

Introduction

4.1 Three specific parliamentary resolutions (as outlined in Appendix 1) arose out of the PSC Review recommendations relating to the role and responsibilities of the Parliamentary Library in the amalgamated department. These are detailed in Appendix 1.

4.2 On 23 June 2003, the Senate Standing Committee on Appropriations and Staffing reported on the PSC Review and made recommendations that carried the same intent, in line with the PSC Review recommendations, of preserving the independence of the Parliamentary Library. Broadly, the Committee recommended that: the statutory position of Parliamentary Librarian be established and that this position have direct reporting responsibilities to the Presiding Officers and to the Library committees; reinforced the independence of the Library by strengthening the terms of reference for the Library committees; and that an annual resources and services agreement be established. The Senate subsequently accepted the Committee's recommendations, and the Parliament passed the parliamentary resolutions in August 2003.

4.3 The ANAO examined relevant parliamentary committee reports, parliamentary documents, DPS files and interviewed the newly appointed Parliamentary Librarian and other relevant DPS staff to examine whether the parliamentary resolutions had been implemented.

Establishment of the position of Parliamentary Librarian

4.4 The position of Parliamentary Librarian was a statutory position from 1901 until 1999 under the *Public Service Act 1922*. The *Parliamentary Services Act 1999* did not include a statutory position of Parliamentary Librarian. The full-time position of Parliamentary Librarian had been vacant for some

15 years, from 1990 until 2005. The DPL was a department of the Parliament, but since 10 September 1991, the Parliamentary Library operated under an acting Secretary who was also the departmental Secretary of DPRS.

4.5 With the establishment of the amalgamated service provision department, the DPL ceased to exist from 31 January 2004.

4.6 Having reviewed the changes to the structure and responsibilities of the parliamentary departments proposed by the PSC Review, the Senate Standing Committee on Appropriations and Staffing, on 23 June 2003, recommended in its report that:

(d) amendments be introduced to the *Parliamentary Service Act 1999* to provide for a statutory position of Parliamentary Librarian within the new joint service department and conferring on the Parliamentary Librarian direct reporting responsibilities to the Presiding Officers and to the Library committees of both Houses of Parliament.¹⁵

4.7 The parliamentary motions of August 2003 accordingly made resolutions on the Parliamentary Library, including a resolution for the creation of the statutory position of the Parliamentary Librarian. The Parliament resolved to support the Presiding Officers to:

bring forward amendments to the *Parliamentary Service Act 1999* to provide for a statutory position of Parliamentary Librarian within the new joint service department and conferring on the Parliamentary Librarian direct reporting responsibilities to the Presiding Officers and to the Library committees of both Houses of Parliament.¹⁶

4.8 Pursuant with the parliamentary resolutions, the Senior Advisor and Private Secretary of the Presiding Officers requested the DPS Secretary, on 12 February 2004, to; prepare the drafting instructions to amend the *Parliamentary Service Act 1999*; to consider remuneration and placement of the Parliamentary Librarian within a Senior Executive Service position in DPS; and, to develop a duty statement and selection criteria for the Parliamentary Librarian position. The DPS Secretary responded to this request and the resultant material was discussed in a meeting between the Presiding Officers and the DPS Secretary on 3 March 2004.

¹⁵ The Senate Standing Committee on Appropriations and Staffing, 2003, *Review of aspects of parliamentary administration-39th report*, Canberra, p. 4.

¹⁶ *op. cit.*, *Parliamentary Departments: Proposed Department of Parliamentary Services*.

4.9 The Presiding Officers considered the requested material and broadly endorsed the proposals with qualifications including:

1. as part of the statement of function, the Parliamentary Librarian should ensure that information, analysis and advice are provided, inter alia 'on the basis of equality of access for all Senators and Members, parliamentary committees and staff acting on their behalf';
2. the Parliamentary Librarian should be appointed by the Presiding Officers for a renewable five year term, with no limitations on re-appointment;
3. the appointment provisions for the Parliamentary Librarian should provide that the Presiding Officers cannot make an appointment unless they have received a report about the vacancy from the Secretary of the Department of Parliamentary Services;
4. the termination provisions from the Parliamentary Librarian should be the same as for the Secretary, Department of Parliamentary Services; and
5. the stipulated reporting requirement should be for the Parliamentary Librarian to report to the Presiding Officers, directly, as required, and at least annually.

4.10 The Presiding Officers also requested further information for consideration on the professional requirements and professional association membership qualifications related to librarians. The Presiding Officers also agreed that, subject to the approval of the amendments, they would place this matter on the agenda for discussion as an in-camera item at the proposed joint meeting of the Library Committees of both Houses on 11 March 2004.

4.11 On 24 March 2004, the President of the Senate and the Speaker of the House of Representatives made an announcement in their respective Houses that they had reached agreement with the Joint Library Committee on a package of proposals consisting of:

1. a more formal establishment of the Joint Library Committee;
2. drafting instructions for amendments to the *Parliamentary Service Act 1999*; and
3. a duty statement and selection criteria for the position of Parliamentary Librarian, to be created as a statutory office.

4.12 A bill to amend the *Parliamentary Service Act 1999* in order to establish the position of Parliamentary Librarian was subsequently introduced to the Senate on 21 June 2004, but was not debated further and lapsed at the end of the 40th Parliament. A bill replicating the previous bill was introduced to the Senate on 9 March 2005.

4.13 On 1 April 2005 (compilation was prepared on 6 April 2006), the *Parliamentary Service Act 1999* was amended to establish the statutory office of the Parliamentary Librarian.

4.14 Following the creation of the statutory position of Parliamentary Librarian, the position was advertised nationally on 8 and 9 April 2005. The Presiding Officers announced the appointment of the new Parliamentary Librarian on 5 October 2005, with a commencement date of 6 December 2005 due to a commitment to finalise a significant project at that time. The Parliamentary Librarian is engaged at a level equivalent to the Senior Executive Service within DPS.¹⁷

4.15 The ANAO notes that the appointment of the Parliamentary Librarian occurred some three years after the PSC Review was presented to the Presiding Officers, and some eight months after the amendments to the *Parliamentary Service Act 1999*. The ANAO considers that the Parliamentary Resolution 1(d) has now been implemented.

Independence of the Parliamentary Librarian

4.16 The parliamentary resolutions of August 2003, led to the establishment of the statutory office of the Parliamentary Librarian rather than granting independence by Charter from the Presiding Officers as was recommended by the PSC Review.

4.17 In addition to establishing the statutory office of the Parliamentary Librarian, the new provisions in the *Parliamentary Service Act 1999* set out other aspects of the Librarian's operation; provide for the appointment, termination and remuneration of the Parliamentary Librarian; enable an acting Parliamentary Librarian to be appointed; and require resources to be provided

¹⁷ The Parliamentary Service Act 1999 states that the Presiding Officers cannot appoint a person as the Parliamentary Librarian unless: (a) the person has either or both of the following: (i) professional qualifications in librarianship or information management (however described); (ii) professional membership of a recognised professional association in the discipline of librarianship or information management (however described); or (b) the Presiding Officers are satisfied that, by reason of the person's qualifications in another relevant discipline, or the person's professional experience, the person has suitable skills to perform the functions of the Parliamentary Librarian.

to the Parliamentary Librarian. As described in Section 38B (1) of the *Parliamentary Service Act 1999* the functions of the Parliamentary Librarian are:

- (a) to provide high quality information, analysis and advice to Senators and Members of the House of Representatives in support of their parliamentary and representational roles; and
- (b) to undertake such other responsibilities within the joint Department, consistent with the function set out in paragraph (a), as are conferred in writing on the Parliamentary Librarian by the Secretary of the joint Department with the approval of the Presiding Officers.¹⁸

4.18 The Act further states that the Parliamentary Librarian must perform the function mentioned in 1(a) above:

- (a) in a timely, impartial and confidential manner; and
- (b) maintaining the highest standards of scholarship and integrity; and
- (c) on the basis of equality of access for all Senators, Members of the House of Representatives, parliamentary committees and staff acting on behalf of Senators, Members or parliamentary committees; and
- (d) having regard to the independence of Parliament from the Executive Government of the Commonwealth.¹⁹

4.19 Parliamentary service employees, such as DPS employees of the Parliamentary Library, are also bound by the Parliamentary Service Values contained in the *Parliamentary Service Act 1999* that includes the values of:

- professional advice and support for the Parliament independently of the Executive Government of the Commonwealth; and
- non-partisan and impartial advice and services to each House of the Parliament, to committees of each House, to joint committees of both Houses and to Senators and Members of the House of Representatives.²⁰

4.20 The amendments of April 2005 to the *Parliamentary Service Act 1999* introduced two new provisions—direct reporting lines to the multi-party

¹⁸ Office of the Legislative Drafting and Publishing, Attorney-General's Department, 2005, *Parliamentary Service Act 1999*, Part 4, Division 3 Section 38B. p. 25.

¹⁹ *ibid.*, p. 25.

²⁰ *ibid.*, Part 3, Section 9, p. 7.

Library Committee²¹ and to the Presiding Officers, as well as the provision for an annual agreement between the Secretary of the joint department, currently DPS, and the Parliamentary Librarian on the resources to be provided, and that that agreement may only be approved by the Presiding Officers after receiving advice from the Library Committee about the contents of the agreement (the agreement is further discussed below).

4.21 The ANAO considers that through the establishment of the statutory office of the Parliamentary Librarian, the independence of the role has been strengthened.

Library committees

4.22 Parliamentary Resolution 1(c) reflected Recommendation 5.3 from the PSC Review—‘the independence of the Parliamentary Library be reinforced by strengthening the current terms of reference for the joint Library Committee’.²²

4.23 At the time of the PSC Review, there were two Library committees, the Senate Library Committee—established by Senate Standing Order 20 and the House of Representatives Library Committee—established by House of Representatives Standing Order 326. Both committees are Standing Committees of the Houses and are appointed at the start of each Parliament.

4.24 Either Library committee is able to confer with the similar committee of the other House of the Parliament,²³ thus enabling the Standing Committees to confer as a Joint Library Committee. The PSC Review noted that the Library committees regularly exercised the power to meet under this arrangement, with the chair of the Committee rotating between the Presiding Officers.

²¹ The Joint Standing Committee on the Parliamentary Library comprises six Senators and seven Members of the House of Representatives appointed to the committee at the commencement of each Parliament. The Senators and Members shall be appointed in accordance with the practice of their respective Houses and shall comprise: three Senators nominated by the Leader of the Government in the Senate, two Senators nominated by the Leader of the Opposition in the Senate, one Senator nominated by minority groups or independent Senators, four Members nominated by the Government whip or whips, and three Members nominated by the Opposition whips or whips or by any independent Member.

²² *op. cit.*, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, p. 8.

²³ House of Representatives Standing Order 342 states that ‘a committee shall have the power to confer orally or in writing with a similar committee of the Senate’. Senate Standing Order 20 provides the Senate Library Committee the power ‘to confer and sit as a joint committee with a similar committee of the House of Representatives’.

Chamber Library committees' terms of reference

4.25 The Senate Library Committee under Standing Order 20 (2), had one broad term of reference that 'the Committee may consider any matter relating to the provision of library services to Senators'.

4.26 Similarly, the House of Representatives Library Committee is established by the House of Representatives Standing Order 217, and also had only one term of reference that 'a Library Committee shall be appointed to consider any matter about the provision of library services to Members referred to it by the House or by the Speaker'.

4.27 As stated in Odger's Australian Senate Practice 11th Edition, the Joint Library Committee 'has no powers of inquiry or report' and therefore 'the committee generally functions as a forum in which to raise and consider matters of relevance to the operations and administration of the Parliamentary Library'.²⁴ The Committee acts as an advisory committee and the Presiding Officers, with joint responsibility for the Library, are not bound to follow the advice of the Committee.²⁵ The Joint Library Committee was not established by motion of the Parliament and it has traditionally met in conference as an informal joint committee.

The establishment of the Joint Standing Committee on the Parliamentary Library

4.28 On 7 December 2005, after the passage of amendments to the *Parliamentary Service Act 1999* on 1 April 2005 that among other things established the statutory position of the Parliamentary Librarian, the President of the Senate moved a motion to establish a Joint Standing Committee on the Parliamentary Library. The motion was agreed to by the Senate, and on the same day was agreed in the House of Representatives. On the following day, the Senate received a message from the House of Representatives notifying the Senate that the House of Representatives agreed with the resolution of the Senate to establish the Joint Committee on the Parliamentary Library.

²⁴ Department of the Senate, 2004, *Odgers' Australian Senate Practice Eleventh Edition*, Canberra, p. 351.

²⁵ *ibid.*, p. 351.

4.29 The amendments made to the *Parliamentary Service Act 1999* in April 2005 specifically referred to a Library Committee and these are discussed below.²⁶

Terms of reference

4.30 The terms of reference for the new Joint Standing Committee were agreed to by the resolutions passed by both Houses of the Parliament in December 2005. The resolutions agreed that the terms of reference for the Joint Standing Committee on the Parliamentary Library shall:

- (i) consider and report to the Presiding Officers on any matters relating to the Parliamentary Library referred to it by the President or the Speaker;
- (ii) provide advice to the President and the Speaker on matters relating to the Parliamentary Library;
- (iii) 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 receive advice and reports, including an annual report, directly from the Parliamentary Librarian on matters relating to the Parliamentary Library.²⁷

4.31 The Joint Standing Committee still retains an advisory, rather than a decision-making, role in providing advice to the Presiding Officers on Library matters. However, the Joint Standing Committee's terms of reference included new responsibilities, as provided for under the *Parliamentary Service Act 1999*, namely to:

- provide advice to the Presiding Officers on the annual resource agreement between the Parliamentary Librarian and the Secretary of DPS; and
- receive advice and reports, including an annual report, directly from the Parliamentary Librarian.

4.32 As was intended by the parliamentary resolutions, the independence of the Parliamentary Library has been reinforced by strengthening the current terms of reference for the Joint Library Committee, including the two new responsibilities as noted in paragraph 4.31, and by providing a direct reporting line for the Parliamentary Librarian to the Committee.

²⁶ The Act defines the Library Committee as the committee or committees of the Houses of Parliament that advise the Presiding Officers in respect of the functions of the Parliamentary Librarian.

²⁷ Australia, Parliament, *Joint Committee on the Parliamentary Library*, Senator the Hon. Paul Calvert, The President of the Senate, 7 December 2005.

4.33 The ANAO considers that the Parliamentary Resolution 1(c) has been implemented.

Resources and services agreement for the Parliamentary Library

4.34 Parliamentary Resolution 1(e), which arose out of Recommendation 5.4 of the PSC Review, required that:

to ensure that the resources and services to be provided to the Parliamentary Library in the new joint service department [DPS] be specified in an annual agreement between the Departmental Secretary and the Parliamentary Librarian, approved by the Presiding Officers following consideration by the Library committees of both Houses of Parliament.

4.35 As a result, the *Parliamentary Service Act 1999* was amended on 1 April 2005 to provide provisions for the process of achieving agreement on the resourcing of the Parliamentary Library. Section 38G of the *Parliamentary Service Act 1999* states that:

(1) The Secretary of the joint Department must provide resources to the Parliamentary Librarian in accordance with an annual agreement that satisfies the requirements of subsection (2).

(2) The agreement must be:

(a) made between the Secretary of the joint department and the Parliamentary Librarian; and

(b) approved by the Presiding Officers in writing after receiving advice about the contents of the agreement from the Library Committee.

(3) The Presiding Officers may approve the agreement for the purposes of subsection (2) either before or after the agreement is made by the Secretary and the Parliamentary Librarian.

4.36 The ANAO notes that there was no evidence of the consideration of the Library's annual resourcing agreement until January 2006. However, the ANAO also notes that the Parliamentary Librarian did not commence office until December 2005. From the formation of DPS in February 2004 until January 2006, the Parliamentary Library budgets were negotiated as part of the wider DPS budget negotiations. This process involved all DPS business groups submitting their 2004–05 operating budgets to the DPS Executive Committee for review. The 2005–06 budgets were submitted to the Finance

Committee²⁸ for review. The Finance Committee then negotiated the budgets with the Assistant Secretaries of each of the business groups for funding.

4.37 The new Parliamentary Library Executive has been developing a framework and set of issues for inclusion in the Resource Agreement.

4.38 The ANAO notes that the *Parliamentary Service Act 1999* section 38G (1) states that ‘the Secretary of the joint Department must provide resources to the Parliamentary Librarian in accordance with an annual agreement...’. As such, the legislation only refers to resources but the ANAO found that the format for the annual agreement will cover both the resourcing of, and the services to be provided by, the Parliamentary Library.

4.39 The ANAO found that at the time of fieldwork there was no annual resourcing agreement in place between the Parliamentary Librarian and the Secretary of DPS. The ANAO notes, however, that the Parliamentary Librarian has only been in office since December 2005.

4.40 The ANAO also found that the Parliamentary Librarian is taking steps to finalise a resourcing agreement that will cover the next financial year—2006–07.

4.41 The ANAO considers that the Parliamentary Resolution 1(e) is yet to be fully implemented. The ANAO acknowledges that DPS has a plan in place to address this outstanding parliamentary resolution relating to the Parliamentary Library.

Conclusion

4.42 The parliamentary resolutions specifically covered three areas associated with the operations of the Parliamentary Library. The parliamentary resolutions encouraged the creation of the statutory position of the Parliamentary Librarian; supported the independence of the Parliamentary Library by strengthening the role of the Library committees; and, required the development of an annual resourcing and services agreement.

²⁸ The Finance Committee comprises the DPS Secretary, Deputy Secretary, the Chief Finance Officer and the Parliamentary Librarian.

4.43 The ANAO concluded that 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.

5. The Senior Management Coordination Group

This chapter discusses the two PSC Review recommendations that did not form part of the final parliamentary resolutions but which refer specifically to the Senior Management Coordination Group. These recommendations were in relation to the strategic coordination of Information and Communication Technology and the coordination for procurement of common items.

Introduction

5.1 The Senior Management Coordination Group (SMCG) comprises the Usher of the Black Rod—representing the Department of the Senate, the Serjeant-at-Arms—representing the House of Representatives and a Senior Executive Service representative of the DPS Secretary. The ANAO examined the SMCG meeting minutes from February 2003 to October 2005 and noted that the three former service provision departments attended the SMCG meetings until 2004. The ANAO also notes that the DPS representative from 2004 has been the Assistant Secretary, Corporate Branch.

5.2 The PSC Review made two recommendations directed at improving the operations of the SMCG, and these are detailed in Appendix 1. The two PSC Review recommendations relate to coordination of Information and Communication Technology (ICT) and the coordination of procurement. The ANAO notes that these PSC recommendations did not form part of the final parliamentary resolutions.

5.3 The ANAO found that the SMCG first discussed the implementation of the two PSC Review recommendations that specifically mentioned the SMCG on 8 April 2004.

Coordination of Information and Communication Technology issues

5.4 The PSC Review noted that there would seem to be little benefit in fundamental changes to the arrangements for provision of ICT services. However, the Review made one recommendation to improve the management of ICT, that the 'SMCG assume greater responsibility for coordinating strategic

ICT issues supported by DPRS in consultation with departmental ICT Directors'.²⁹

5.5 The ANAO noted that the SMCG obtains advice from various sources, including the Chair of the Web Managers' Group³⁰ and a DPS Senior Executive Service Officer responsible for ICT. These two positions are advisers or invitees to SMCG meetings.

5.6 The SMCG minutes reflect mainly an imparting of information or identification of problem areas from the DPS ICT adviser and Web Managers' Group to the SMCG. The ANAO considers that there may be merit in the SMCG assuming greater responsibility for coordinating strategic ICT issues, as was recommended in the PSC Review. Benefits could arise if the information provided to the SMCG was more strategically focused and aligned to a strategic plan that outlines the roles and responsibilities of all parties involved in ICT and the objectives and priorities of ICT for the Parliament. The ANAO considers that DPS' involvement in the SMCG, positions them to initiate policies and processes which could facilitate integration and support coordinated priority setting and decision-making for ICT.

5.7 In order to assist the SMCG in providing greater strategic oversight of ICT, the ANAO considers that there would be benefits in developing DPS and Parliament-wide ICT strategic plans. The ANAO further considers that DPS, in consultation with the Chamber departments, is the appropriate body to develop such plans.

5.8 On 11 February 2005 the SMCG discussed its role in ICT coordination and any function the Web Managers' Group might have in this regard. The SMCG noted the possibility that an advisory group with a strategic/overview role might emerge from the review being conducted as part of the DPS restructure project.

5.9 At the time of fieldwork, ANAO found that ICT strategic plans were still to be developed, but notes that the implementation of the DPS restructure occurred in February 2006. The ANAO considers that the development of the DPS and Parliament-wide ICT strategic plans will be important steps to assist SMCG in coordinating the long term strategic ICT direction for the Parliament. Such plans could also form the basis for the development of a documented

²⁹ *op. cit.*, *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, p. 8.

³⁰ The Web Managers' Group comprises the web managers from each of the parliamentary departments.

level of service to be negotiated between DPS and the Chamber departments for ICT services.

5.10 The ANAO notes that as part of DPS' restructure, a new section was formed which has assumed responsibility for the development of an IT strategy and policies, Hansard, and broadcasting strategic plan. The ANAO considers that this is a significant initiative that will assist DPS in providing strategic advice to the SMCG on ICT issues. With the advent of the new section to focus on strategic planning and its significant involvement in the management of ICT in Parliament House, DPS is in the process of addressing a number of the responsibilities for coordinating ICT in Parliament House.

Coordination of procurement of common items

5.11 The PSC Review found that almost all items of common procurement were purchased under common use contracts, which are typically negotiated by specialist procurement areas in the former service provision departments. The PSC Review also found that there have been several occasions (travel and banking) where parliamentary departments have united to establish joint purchase arrangements, usually under the auspices of the SMCG. However, the PSC Review found that there is no formal mechanism to facilitate this coordination of procurement of common items. This gave rise to a recommendation from the PSC Review that: 'SMCG be given formal responsibility for coordinating procurement of common items in circumstances where there is benefit to the parliamentary departments in doing so'.³¹

5.12 The ANAO notes that the SMCG's terms of reference, agreed on 19 August 2005, specifically identifies procurement as an area of responsibility. The SMCG terms of reference state that the SMCG 'Identify, and seek to reduce, where appropriate, duplication of corporate functions, responsibilities and procurement across the parliamentary departments'.

5.13 This matter was initially discussed at the 8 April 2004 SMCG meeting and it agreed that DPS would have a paper prepared for discussion at the following SMCG meeting.

5.14 At its next meeting on 4 June 2004, DPS provided a paper on the procurement of common items to the SMCG for discussion. The ANAO found that it was the SMCG's intention to establish panel contracts for the Parliament

³¹ op. cit., *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament Final Report*, p. 8.

wherever possible, building on existing arrangements where appropriate, with the three departments each retaining their own purchasing control arrangements. The SMCG endorsed this approach, with the suggestion that a particular type of equipment (photocopiers, for example) be used as a trial. The ANAO found no reference to this suggested trial in the SMCG minutes examined. DPS further advised the SMCG that it did not necessarily advocate exclusive arrangements, as these can become less cost-effective over time. An SMCG member also made the SMCG aware that IT related equipment was already purchased through common arrangements.

5.15 Ten months later, on 8 April 2005, the SMCG agreed that procurement issues were still an issue that should, in the first instance, be considered by the Finance Managers.³² On 10 June 2005 the Chair of the SMCG, the Usher of the Black Rod, advised the Group that the Finance Managers were progressing the procurement matter.

5.16 DPS advised the ANAO that the process for coordination of procurement of common items across the parliamentary departments involves the DPS Director of Procurement contacting the Chamber departments, where appropriate, to seek their involvement in developing tender documents and their representation on tender evaluation committees.

5.17 The ANAO considers that coordination of procurement is still largely an informal process that has associated risks, such as reduced accountability and transparency, and the potential to not source items at the lowest possible cost. The ANAO further considers that the intent of the PSC Review recommendation has not been fully implemented.

Summary

5.18 Two PSC Review recommendations that specifically referred to responsibilities of the SMCG were not included in the August 2003 parliamentary resolutions.

5.19 The ANAO considers that the PSC Review recommendation relating to the SMCG assuming greater responsibility for the coordination of ICT had not been adopted. The SMCG did, however, continue to receive reports from the DPS ICT adviser and the Web Managers' Group. The ANAO also noted that a

³² As stated in the SMCG terms of reference, the Chair of the Finance Directors' Group is an adviser/invited member to the SMCG meetings. The SMCG terms of reference describe the role of the Finance Directors' Group as providing the SMCG with coordinated advice on financial management issues affecting all parliamentary departments.

DPS and Parliament-wide ICT strategic plan was still to be developed. The establishment of the new Strategic Planning and Policy area in DPS is an important initiative that could provide resources and other assistance to allow the SMCG to assume a more strategic focus on ICT issues. DPS advised that due to its significant role in the management of ICT, it is in the process of addressing a number of the responsibilities of coordinating ICT for Parliament House.

5.20 The second PSC Review recommendation not included in the parliamentary resolutions was that formal responsibility for procurement of common items be given to the SMCG. The ANAO noted that the process for coordinating procurement across the parliamentary departments was still largely an informal process.

6. Measurement of Client Services

This chapter discusses how DPS services that are provided to parliamentary clients are reported as well as whether there was any measurable impact on client services generally after amalgamation.

Introduction

6.1 DPS is responsible for providing a wide range of services primarily to Members and Senators, and also to the Chamber departments and for broader parliamentary purposes. These services include building maintenance, security, telephone, IT services, Library services, Hansard reporting, cleaning and maintenance of Parliament House, art work and furniture conservation and visitor services.

6.2 Historically, the service levels provided by the three former departments were reported in Annual Reports to the Parliament. Following amalgamation of the three departments, these reports are now combined into DPS' Annual Report.

6.3 The DPS Annual Report 2003–04 was the first combined report, and stated that 'management reporting arrangements used in each of the former departments have continued to be used'.³³ This view is consistent with the approach to amalgamation as staff providing services continued to operate as previously.

Measurement of client service

6.4 It is difficult for DPS to objectively measure changes in the levels of client service since amalgamation from a client satisfaction point of view given that there has not been an independent parliamentary survey of services since 2003. To obtain informal feedback on service levels, the ANAO met with staff from the Chamber departments, sought a written submission from the Secretary of DPS, and invited Members and Senators to submit comments to the ANAO as a part of the audit.

6.5 The DPS Secretary advised the ANAO in March 2006 that the amalgamation, as such, had no particular implications for client service.

³³ Department of Parliamentary Services, 2004, *Department of Parliamentary Services Annual Report 2003-04*, Canberra, p. 19.

6.6 The ANAO acknowledges that a potentially major impact on maintaining the same levels of client service arose from the enforced savings to the consolidated DPS annual budget and the changes made following amalgamation. The enforced savings measures resulted in a reassessment following the amalgamation of the extent and level of a number of services provided to the Parliament. The DPS Secretary, in her submission to the ANAO, noted the following examples of some minor changes in services post-amalgamation; the printing and distribution of hard-copy Weekly Official Hansards were stopped with reported savings of \$720 000; the services provided by the Nurses Centre have been clarified, ensuring that services provided were not those that required the supervision of a medical practitioner; there has been a reduction in staffing of the Parliamentary Library after 5.30pm; and, the policy of charging for non-parliamentary functions has been more vigorously enforced. The Secretary's submission also mentioned examples where requested extension of the coverage of certain existing services was declined.

6.7 Comments obtained through ANAO interviews with Executive managers of the Chamber departments provided a different perspective with respect to some areas. In summary, comments received by the ANAO suggested that although security was seen to be an improved service since amalgamation, there had been a fall off in the quality of service in the areas of IT projects and building and maintenance services. For example, both Chamber departments had experienced problems with the timely provision of carpet as a part of the annual replacement program.

6.8 Those interviewed by the ANAO considered the introduction of service level agreements or documentation that articulates an agreed service level for these services would assist in addressing perceived service level short-falls. In addition, the ANAO considered that regular reporting against an agreed level of service could be a useful management tool to assist DPS to manage client expectations and manage the services it provides, and assist the Chamber departments in assessing the level of services received.

Client satisfaction surveys

6.9 Parliamentary-wide surveys were used to measure client satisfaction in the former departments of DPL (output 1) and DPRS (output 2). The last survey was undertaken in 2003 during the 40th Parliament. The results of this survey were reported in those two former service provision departments'

2002–03 Annual Reports. Because there has not been a survey subsequent to the amalgamation, it is difficult to determine current client satisfaction levels. However, some indicators of client satisfaction are available. For example, unsolicited feedback is used as a supplementary indicator to assess client satisfaction for Library Services.

6.10 DPS also receives feedback on its provision of services, and other pertinent issues affecting Parliament House and the Parliamentarians, through Senate Estimates hearings and other parliamentary committee processes.

6.11 DPS has advised the ANAO that it will be reviewing its performance indicators in the near future. The ANAO also noted that the DPS Certified Agreements specify the conduct of Continuous Improvement Reviews, which will examine avenues for more cost-effective and efficient service delivery.

Service levels

6.12 The ANAO examined a selection of performance indicators across the DPS outputs. In general, service provision is reported by number of services, number of hours and cost. The methodology for attribution of costs changed between 2003–04 and 2004–05 and price is not directly comparable between years. Timeliness is reported in relation to Hansard services. However, timeliness is not a factor in reporting quality indicators for Library Services. One indicator, ‘the increased usage of Library databases’,³⁴ changed from being a quantity indicator to a quality indicator, without explanation, in the two annual reports.

6.13 The ANAO noted that for Output 2.2, Information and Communications Technology and Broadcast Support, the performance of some projects did not meet timeliness targets. However, the performance indicators reported by DPS in its latest Annual Report³⁵ showed that clients are 100 per cent satisfied with the projects completed, despite, only 86 per cent percent of projects being reported as within budget compared to a target of 95 per cent. Only 14 per cent of projects were reported as being on time compared to a target of 80 per cent. Executive managers of the Chamber departments supported this measurement with their comments regarding IT services

³⁴ Department of Parliamentary Services, 2005, *Department of Parliamentary Services Annual Report and Financial Statements 2004–05*. Canberra, p. 37.

³⁵ *ibid.*, Figure 19, p. 50.

mentioned previously. The DPS Annual Report provides an explanation of the reasons for the level of performance achieved.

6.14 For Output 3 'Building and Occupancy Services',³⁶ social indicators are used, principally stakeholder communications. The 2003–04 DPS Annual Report stated that 'the primary indicator of stakeholder communications is client and stakeholder satisfaction. This is measured by aggregating, to a single result, a series of surveys conducted throughout the year by most business units. These survey results include feedback from building occupants, visitors and DPS staff'.³⁷

6.15 The 2004–05 DPS Annual Report also lists the satisfaction ratings for the Health and Recreation Centre, the Nurses Centre and Facilities Management, with the Health and Recreation Centre receiving lower than the target rating. It is noted that the Health and Recreation Centre had been undergoing refurbishment during the period.

Summary

6.16 The ANAO notes that a framework is in place to measure and report service levels in respect of the number, time expended and the price of the delivery of services. However, the ANAO considers that there is scope to improve how service levels are measured by including timeliness or responsiveness indicators as part of quality assessments.

6.17 An independent survey could objectively measure client satisfaction across all areas of DPS services. The ANAO considers that a survey of the 41st Parliament could provide a measure of client satisfaction in a post-amalgamation environment.

6.18 Documented levels of service for key services could provide an avenue for consultation on services required, timeliness, number and cost. A service level agreement with key stakeholder groups, once developed, could be used in monitoring service levels, simultaneously providing a management tool and a client service reporting regime.

6.19 DPS has advised the ANAO that it will be reviewing its performance indicators in the near future. The ANAO also noted that the DPS Certified

³⁶ *ibid.*, p. 57.

³⁷ *op. cit.*, *Department of Parliamentary Services Annual Report 2003-04*, p. 61.

Agreements specified Continuous Improvement Reviews as one method for developing more cost-effective and efficient service delivery.

Recommendation No.1

6.20 The ANAO recommends that the Department of Parliamentary Services develops agreed measurable indicators in consultation with key stakeholder groups regarding the nature, timeliness, number and cost of its key services to assist monitoring and reporting.

DPS' response

DPS agrees that the development of measurable indicators for the nature, timeliness, numbers and cost of its key services would assist monitoring and reporting and would also be more generally useful.

DPS also agrees that these indicators should ideally be developed in consultation with key stakeholder groups. DPS notes, however, that structured consultation, or reaching agreement, with some of our key stakeholder groups will be difficult, because of problems in identifying members of the groups or problems in finding representative bodies to speak for them (eg, visitors or potential visitors to Parliament House; potential applicants for Parliament House passes; users or potential users of Parliamentary Library research made available on the <www.aph.gov.au> website).

DPS considers that, except for the Department of Finance and Administration, most if not all stakeholders are ultimately represented by the Presiding Officers; this means that, whatever consultation is undertaken, agreements on measurable indicators will generally be between DPS and the Presiding Officers.

Several substantial bodies of work done since the creation of DPS to clarify and rationalise the services provided by DPS have laid the groundwork for the development of indicators as recommended:

- (a) the preparation of a consolidated Services Directory in 2004;
- (b) the review in 2005 of all departmental activities in preparation for the February 2006 restructure;
- (c) the restructure itself;
- (d) close Finance Committee monitoring of departmental spending since mid-2005; and
- (e) provision in the two new DPS certified agreements for continuous improvement reviews across the department.

As well, since the ANAO fieldwork was undertaken, DPS's performance indicators have been substantially revised for the 2006-2007 Portfolio Budget Statement. There is more work to be done, however, and performance indicators across the department will be the subject of a major review in the first half of the 2006-07 year.

7. Parliament House Accommodation

This chapter discusses the accommodation arrangements at Parliament House as well as the impact of the parliamentary resolutions on accommodation arrangements generally.

Introduction

7.1 Parliament House is a unique work location, serving the needs of 226 Parliamentarians in enabling them to represent the people and make laws. To assist Parliamentarians to carry out these functions, Parliament House was designed to accommodate Parliamentarians and their support staff, employees from the parliamentary departments, media organisations and other site-specific commercial operations. Parliament House was officially opened on 9 May 1988. At a Finance and Public Administration Legislation Committee hearing on 31 October 2005, the DPS Secretary stated that DPS 'are working on a 200-year lifespan for this building'.³⁸

Photo 7.1

Aerial photo of Parliament House



Source: <<http://www.peo.gov.au/resources/history.html>>

³⁸ Australia, Parliament, *Senate Finance and Public Administration Legislation Committee Estimates (Supplementary Budget Estimates) parliamentary portfolio*, Ms Hilary Penfold QC, Secretary of the Department of Parliamentary Services, 31 October 2005.

7.2 In response to a specific request from JCPAA members, the ANAO examined relevant documents to assess issues relating to accommodation within Parliament House as part of this audit. The ANAO did not conduct a detailed survey or analysis of accommodation space. However, the ANAO did seek comments from Members and Senators in an email sent on 8 December 2005. The ANAO did not receive any specific responses.

7.3 The matter of accommodation space in Parliament House was the subject of various papers and submissions prepared prior to the official opening. As early as 1984, the Joint Standing Committee on the new Parliament House made a submission to the Presiding Officers stating their belief that there would be a shortfall of accommodation space. This initial viewpoint was subsequently confirmed, as for the entire history of the new Parliament House, alternative buildings have been used to accommodate the overflow of parliamentary service employees required to service Parliamentarians.

Accommodation reviews

7.4 In total there have been nine reviews/inquires into accommodation space at Parliament House. Five of these reviews have been subsequent to the opening in 1988. These reviews have ranged from independent consultant reviews to a survey of accommodation which visited approximately 5 500 rooms during a sitting period in August and September of 1999.

7.5 A central theme of all of the accommodation reviews undertaken to date is the shortfall of accommodation space at Parliament House. The reviews identified numerous factors contributing to the accommodation shortfall including:

- an increase in the number of Parliamentary Secretaries and their associated staff. Initially four Parliamentary Secretaries were appointed in 1990, and since the start of the 39th Parliament in November 1998, this number has increased to 12.³⁹ There are currently 10 Parliamentary Secretaries who are Members of the House of Representatives and two Parliamentary Secretaries who are Senators. Because of space restrictions in the Ministerial Wing of Parliament House, Parliamentary Secretaries are accommodated in their respective Chamber areas which

³⁹ Department of the House of Representatives, 2005, *House of Representatives Practice, Fifth Edition*, Canberra, p 70.

has created particular accommodation requirements in the House of Representatives, since Parliamentary Secretaries have historically been provided with more office space than other members; and

- the changing needs of the Parliament and the pressure for space to be made available in the building for new services. This currently includes demands for full childcare facilities within the building, extra space for the Press Gallery, extra space required for IT storage, and an area for some kind of 'business lounge'.

7.6 The ANAO analysed the total staffing numbers from the recent parliamentary departments' annual reports. Table 7.1 represents the actual, rather than full-time equivalent, staffing numbers of the parliamentary departments from 1999–2000 to 2004–05. The ANAO acknowledges that there are other groups of staff that occupy Parliament House, such as staff employed under the *Members of Parliament (Staff) MOP(S) Act 1984*, and departmental liaison officers. Although obviously having an impact on accommodation space within Parliament House, these groups have not been reflected in the analysis of numbers for this audit as:

- they are not directly affected by the amalgamation of the three former service provision departments described in the parliamentary resolutions;
- the number of MOP(S) staff permanently working in Parliament House varies from time to time; and
- information on the numbers of MOP(S) staff accommodated in Parliament House is not collected by the Department of Finance and Administration.

Table 7.1**Total staffing levels of parliamentary departments 1999–2000 to 2004–05**

Department	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
Department of the House of Representatives	263	264	264	228	164	160
Department of the Senate	251	239	227	223	172	166
DPL	189	166	171	169	0	0
DPRS	297	323	353	345	0	0
JHD	294	284	287	278	0	0
DPS	0	0	0	0	975	960
Total	1294	1276	1302	1243	1311	1286

Note: The shaded area indicates the period following the parliamentary resolutions arising out of the PSC Review.

Source: ANAO analysis from parliamentary departments' annual reports.

7.7 The ANAO notes that one of the factors impacting on available accommodation space is the total departmental staffing numbers. The ANAO's analysis indicates that total departmental staffing numbers have remained relatively constant since the 1999 review.

Management of accommodation

7.8 Since October 2002, the SMCG has assumed responsibility, as the most appropriate body, to coordinate accommodation requirements and has determined that accommodation should be a standing item at its future meetings. The ANAO reviewed the SMCG minutes and noted that at the meeting of 8 April 2004, it was agreed that there needs to be a more strategic Parliament-wide approach to accommodation requirements, and although not urgent at that time, it is a critical matter that SMCG needs to be across.

7.9 On 15 February 2005 a paper was developed by DPS entitled '*Developing an accommodation strategy for Parliament House 2006–2016*' for consideration of the DPS executive. This paper was discussed at the following Executive Committee meeting on 1 March 2005, although follow-up action was not identified.

7.10 On 15 March 2005, the Secretary of DPS at the Executive Committee meeting informed the Committee that consideration of the accommodation would be left until the restructure of DPS had been fully implemented.

7.11 Following the restructure of DPS in February 2006, the Chair of the SMCG wrote to DPS on 15 February 2006 requesting the necessary allocation of resources pursuant to implementing a strategy for a review of accommodation requirements in Parliament House, namely to:

- assess accommodation requirements of all occupants of Parliament House in the near (1-10 years) and longer (10-30) years;
- establish priorities;
- identify options to meet the near and longer terms requirements;
- evaluate the options and recommend a preferred option and an implementation plan for the near and longer terms; and
- consider establishing a Steering Committee comprising representatives of the three parliamentary departments and the Department of Finance and Administration to oversight the review.

Summary

7.12 The ANAO notes that since 1984 there have been nine reviews/inquires into accommodation space in the new Parliament House. Central to all of the accommodation reviews is the shortfall of accommodation space within Parliament House. The reviews found that there are numerous factors contributing to this situation, including increased numbers of parliamentary staff and Parliamentary Secretaries, and changing needs of clients. The ANAO notes that staffing numbers in the parliamentary departments have not yet declined significantly since the PSC Review was presented to the Presiding Officers. In 2006, the SMCG outlined a strategy to assess short and long-term accommodation requirements of all occupants of Parliament House.



Ian McPhee
Auditor-General

Canberra ACT
28 June 2006

Appendices

Appendix 1: The PSC Review recommendations against the consequent parliamentary reports/decisions and resolutions

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Security	1. A centralised security organisation be created in the Joint House Department or in an amalgamated service-provision department.	<p>November 2002 - (1) The Committee adopted the following resolutions:</p> <ul style="list-style-type: none"> the establishment of the Security Board of Management, with the composition as proposed by the President; the transfer to the Joint House Department of security personnel and equipment currently located in the two chamber departments; the appropriation to the two chamber departments of the funds for security, and recommends that the Senate approve of those proposals. 	<p>11 November 2002 – Speaker announced in Chamber that the Presiding Officers established the Security Management Board as a permanent body, and to centralise the security function in the Joint House Department.</p>	<p>18 November 2002 – Senate agrees to the Senate Standing Committee on Appropriations and Staffing recommendations:</p> <ul style="list-style-type: none"> the establishment of the Security Board of Management, with the composition as proposed by the President; the transfer to the Joint House Department of security personnel and equipment currently located in the two chamber departments; the appropriation to the two chamber departments of the funds for security, and recommends that the Senate approve of those proposals

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Security cont.		(2) The committee, in endorsing those proposals, notes that, while the proposed reorganisation may improve governance and coordination in the security function, it does not itself ensure that appropriate security measures are taken in Parliament House and the committee calls on the President to take appropriate measures to secure the building adequately, with the advice of the Commonwealth's security agencies and with appropriate consultation with, and notification to, senators.		(2) The committee, in endorsing those proposals, notes that, while the proposed reorganisation may improve governance and coordination in the security function, it does not itself ensure that appropriate security measures are taken in Parliament House and the committee calls on the President to take appropriate measures to secure the building adequately, with the advice of the Commonwealth's security agencies and with appropriate consultation with, and notification to, senators.
Management and corporate functions	2. (One option) A shared-services centre be established to undertake human resources, finance and office services transactional-processing activities for all parliamentary departments.	(f) that consideration be given, after the establishment of the joint service department, to that department providing human resources, finance and transaction-processing activities for all the Parliamentary departments, subject to such an arrangement being proven to be both cost-effective and efficient.	1(f) to consider, after the establishment of the joint service department, that department providing human resources and financial transaction-processing activities for all the Parliamentary departments, subject to such an arrangement being proven to be both cost-effective and efficient.	1(f) to consider, after the establishment of the joint service department, that department providing human resources and financial transaction-processing activities for all the Parliamentary departments, subject to such an arrangement being proven to be both cost-effective and efficient.

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Management and corporate functions cont.	2.1 Services to Senators and Members not be transferred to any shared-services centre until the centre is established and operating satisfactorily.			
	3. SMGG assume greater responsibility for coordinating strategic ICT issues, supported by DPRS in consultation with departmental ICT Directors.			
Purchasing	4. SMGG be given formal responsibility for coordinating procurement of common items in circumstances where there is benefit to the parliamentary departments in doing so.			

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Amalgamation	5. (The preferred option) The three service provision departments be amalgamated.	(a) the Joint House Department, Department of the Parliamentary Library and the Department of the Parliamentary Reporting Staff be abolished; and (b) a new joint service department, to be called the 'Department of Parliamentary Services' be established to fulfil all the functions of the former joint departments.	1(a) the Joint House Department, Department of the Parliamentary Library and Department of the Parliamentary Reporting Staff are abolished with effect from 31 January 2004; and 1(b) a new joint service department, to be called the 'Department of Parliamentary Services' be established from 1 February 2004 to fulfil all the functions of the former joint departments; and supports the Presiding Officers in the following endeavours.	1(a) the Joint House Department, Department of the Parliamentary Library and Department of the Parliamentary Reporting Staff are abolished with effect from 31 January 2004; and 1(b) a new joint service department, to be called the 'Department of Parliamentary Services' be established from 1 February 2004 to fulfil all the functions of the former joint departments; and supports the Presiding Officers in the following endeavours.

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Parliamentary Library	5.1 The position of Parliamentary Librarian be established at a senior level within the amalgamated service provision department.	(d) that amendments be introduced to the <i>Parliamentary Service Act 1999</i> to provide for a statutory position of Parliamentary Librarian within the new joint service department and conferring on the Parliamentary Librarian direct reporting responsibilities to the Presiding Officers and to the Library committees of both Houses of Parliament.	1(d) to bring forward amendments to the <i>Parliamentary Service Act 1999</i> to provide for a statutory position of Parliamentary Librarian within the new joint service department and conferring on the Parliamentary Librarian direct reporting responsibilities to the Presiding Officers and to the Library committees of both Houses of Parliament.	1(d) to bring forward amendments to the <i>Parliamentary Service Act 1999</i> to provide for a statutory position of Parliamentary Librarian within the new joint service department and conferring on the Parliamentary Librarian direct reporting responsibilities to the Presiding Officers and to the Library committees of both Houses of Parliament.
	5.2 The independence of the parliamentary Library be granted by Charter from the Presiding Officers.			

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Parliamentary Library cont.	5.3 The independence of the Parliamentary Library be reinforced by strengthening the terms of reference for the joint Library Committee.	(c) that the independence of the Parliamentary Library be reinforced by strengthening the current terms of reference of the Library committees of both Houses of Parliament.	1(c) to reinforce the independence of the Parliamentary Library by strengthening the current role of the Library committees of both Houses of Parliament.	1(c) to reinforce the independence of the Parliamentary Library by strengthening the current role of the Library committees of both Houses of Parliament.
	5.4 The resources and services to be provided to the Library in the amalgamated department be specified in an annual agreement between the Departmental Secretary and the Parliamentary Librarian, approved by the Presiding Officers following consideration by the joint Library Committee.	(e) that resources and services be provided to the Parliamentary Library in the new joint service department be specified in an annual agreement between the Departmental Secretary and the Parliamentary Librarian, approved by the Presiding Officers following consideration by the Library Committee of both Houses of Parliament.	1(e) to ensure that the resources and services to be provided to the Parliamentary Library in the new joint service department be specified in an annual agreement between the Departmental Secretary and the Parliamentary Librarian, approved by the Presiding Officers following consideration by the Library committees of both Houses of Parliament.	1(e) to ensure that the resources and services be provided to the Parliamentary Library in the new joint service department be specified in an annual agreement between the Departmental Secretary and the Parliamentary Librarian, approved by the Presiding Officers following consideration by the Library committees of both Houses of Parliament.
Implementation	6. A dedicated implementation team be established to manage the implementation process, headed by a senior official seconded full time to the task.			

Area	PSC Review recommendations – 30 Sept 2002	Senate Standing Committee on Appropriations and Staffing recommendations – November 2002 and 23 June 2003	House of Representatives announcement and resolutions– 11 November 2002 and 14 August 2003	Senate resolutions -18 November 2002 and 18 August 2003
Other resolutions			(1A) any savings achieved by the amalgamation may be used to offset increases in costs of security measures approved by the Presiding Officers for Parliament House, but if those increases in costs exceed those savings, the appropriations for the parliamentary departments are to be supplemented for the excess.	1A. That any savings achieved by the amalgamation may be used to offset increases in costs of security measures approved by the Presiding Officers for Parliament House, but if those increases in costs exceed those savings, the appropriations for the parliamentary departments are to be supplemented for the excess.
				1(B) That any redundancies arising from the amalgamation must be of a voluntary nature and that no staff will be forced to take involuntary redundancies as a result of the amalgamation.

Note: Where there are two dates detailed under the one heading only the first date is detailed in the information. All other recommendations or resolutions pertain to the latter date.

Appendix 2: Major milestones of the implementation of the PSC Review and parliamentary resolutions

Date of milestone	Milestone
30 September 2002	Parliamentary Service Commissioner presents his final report to the Presiding Officers.
23 October 2002	<p>The final Parliamentary Service Commissioner's Review Report was tabled in both Houses of the Parliament.</p> <p>The Presiding Officers asked for written comments from Members, Senators, heads of Parliamentary departments and staff to comment on the reports recommendations.</p>
11 November 2002	<p>The Presiding Officers announced in their respective Houses that they had established the Security Management Board as a permanent body.</p> <p>The Presiding Officers announced that the security function for Parliament House would be centralised in the Joint House Department.</p>
18 November 2002	The Senate Standing Committee on Appropriations and Staffing recommended to the Senate to resolve a number of recommendations for the Senate to adopt. The Senate adopted those recommendations.
11 December 2002	The Presiding Officers received 19 written submissions in response to their request on 23 October 2002.
June 2003	The Senate Standing Committee on Appropriations and Staffing reported and made recommendations to the Senate on the <i>Review Aspects of Parliamentary Administration</i> .
23 June 2003	The Senate agreed to the recommendations from the Senate Standing Committee on Appropriations and Staffing in relation to their report on <i>Review Aspects of Parliamentary Administration</i> .
14 August 2003	The Speaker of the House of Representatives proposed that the House resolve that the three service provision departments be abolished and a new joint service department be established. The proposal also requested the House of Representatives to support the Presiding Officers in a number of endeavours, which are detailed in Appendix 1. Proposal agreed to with an amendment and message sent to the Senate which was received on the same day.
18 August 2003	The President of the Senate proposed that the Senate resolve that the three service provision departments be abolished and a new joint service department be established. The proposal also requested the Senate to support the Presiding Officers in a number of endeavours, which are detailed in Appendix 1. Proposal agreed to with two amendments and message sent to the House of Representatives informing it of the resolution.

19 August 2003	Senate message received by the House of Representatives informing it of the Senate resolution. There was no further question put to align the two resolutions from both Houses of the Parliament.
1 February 2004	The new parliamentary department, the Department of Parliamentary Services, was established.
1 April 2005	Parliamentary Librarian made a statutory position and the Security Management Board made a statutory body by amendment to the <i>Parliamentary Service Act 1999</i> .
February 2006	DPS implements its final organisational structure after the completion of the review of the department conducted by the DPS Deputy Secretary.

Source: ANAO analysis.

Appendix 3: DPS' response



Parliament of Australia
Department of Parliamentary Services

DPS ref: 06-662

13 June 2006

Mr David Crossley
Executive Director
Performance Audit Services Group
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Dear Mr Crossley

**Performance Audit: Implementation of the Parliamentary Resolutions
Arising From the Review by the Parliamentary Service Commissioner of
Aspects of the Administration of the Parliament**

1 I refer to your letter dated 17 May 2006 enclosing a proposed audit report for my comments pursuant to section 19 of the *Auditor-General Act 1997*.

Response to recommendation

2 DPS agrees that the development of measurable indicators for the nature, timeliness, numbers and cost of its key services would assist monitoring and reporting and would also be more generally useful.

3 DPS also agrees that these indicators should ideally be developed in consultation with key stakeholder groups. DPS notes, however, that structured consultation, or reaching agreement, with some of our key stakeholder groups will be difficult, because of problems in identifying members of the groups or problems in finding representative bodies to speak for them (eg, visitors or potential visitors to Parliament House; potential applicants for Parliament House passes; users or potential users of Parliamentary Library research made available on the www.aph.gov.au website).

4 DPS considers that, except for the Department of Finance and Administration, most if not all stakeholders are ultimately represented by the Presiding Officers; this means that, whatever consultation is undertaken, agreements on measurable indicators will generally be between DPS and the Presiding Officers.

5 Several substantial bodies of work done since the creation of DPS to clarify and rationalise the services provided by DPS have laid the groundwork for the development of indicators as recommended:

- (a) the preparation of a consolidated Services Directory in 2004;

Parliament House
PO Box 6000
Canberra ACT 2600
Telephone: (61) 02 6277 7111

ABN 52 997 141 147

- (b) the review in 2005 of all departmental activities in preparation for the February 2006 restructure;
- (c) the restructure itself;
- (d) close Finance Committee monitoring of departmental spending since mid-2005; and
- (e) provision in the two new DPS certified agreements for continuous improvement reviews across the department.

6 As well, since the ANAO fieldwork was undertaken, DPS's performance indicators have been substantially revised for the 2006-2007 Portfolio Budget Statement. There is more work to be done, however, and performance indicators across the department will be the subject of a major review in the first half of the 2006-07 year.

Other comments

7 DPS agrees that there would be benefit in developing ICT strategic plans, both for the Parliament and for DPS. This work was initiated in 2004 but was then put on hold pending the restructure of the department, which among other things was aimed at improving our strategic ICT capacity. Development of these plans is now a priority for the Strategy and Business Services Branch.

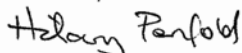
8 Work has started on assessing progress against two recent security reviews, with a view to developing a security strategic plan.

9 Major contracts that affect the three parliamentary departments already involve coordinated procurement activity, with DPS generally as the lead agency (eg new contracts for the supply of travel services and IT hardware have recently been negotiated by DPS on behalf of the whole Parliamentary Service).

10 The next Parliament-wide client satisfaction survey will be conducted in the 2006-07 financial year.

11 I would like to thank you and your staff for your constructive approach to this audit. I believe that the final report will provide useful guidance for us in the next stage of the department's development.

Yours sincerely



Hilary Penfold QC
Secretary

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