

## CHAPTER 5: PARLIAMENTARY DEPARTMENTS

### Key Findings of the Committee:

- 5.1 The Parliamentary Departments' budget allocation for 2004-05 was \$93.4 million, compared to the actual results for 2003-04 of \$89.8 million, which resulted in a variation of \$3.6 million, or 4 per cent.
- 5.2 Based on estimates at 1 July 2004, unspent 2003-04 funding of \$1.8 million will be carried over to 2004-05.
- 5.3 The number of staff employed by the Parliamentary Departments in 2004-05 is expected to remain unchanged from 2003-04. In 2004-05 an estimated 456.49 full-time equivalent staff will be employed which is inclusive of 240.93 electorate officers.
- 5.4 The reduction in the number of Parliamentary Departments from five to three is intended to produce a less fragmented and more coordinated administration process and improve efficiency.
- 5.5 The output management framework for the Parliamentary Departments was changed to reflect the establishment of the Department of Parliamentary Services. The changes also resulted in the Parliamentary Library and the Parliamentary Debates being incorporated within the Department of Parliamentary Services budget.
- 5.6 In recognition of the importance of the Parliamentary Library in supporting the work of Members of Parliament and Parliamentary Committees, it is essential that the autonomy of the Parliamentary Library be maintained under the new structure.
- 5.7 The Parliamentary Departments need to develop a safety management plan that reflects the objectives of their corporate plan.
- 5.8 The Parliamentary Departments are in the process of transferring to the new non-executive officer career structure and have identified that around 50 per cent of parliamentary staff will be subjected to an overgrade review to assess whether these officers are undertaking work at a level which is higher than their current classification.
- 5.9 The budgets of the Parliamentary Departments are insufficient to enable them to expeditiously implement the outstanding recommendations raised by the Auditor-General in his review of the Parliament's information technology system upgrade (Parlynet 2) in 2003.

## Departmental review

While the Victorian Auditor-General's Office is included as an output under the Parliament<sup>1</sup> the budget estimates for 2004-05 for the Auditor-General are considered by the Public Accounts and Estimates Committee in a separate process provided for under the *Audit Act* 1994 and is not dealt with in this chapter.

As a result of these arrangements, the financial information outlined in this chapter will differ from the financial information for the Parliament of Victoria detailed in the 2004-05 Budget Papers.<sup>2</sup>

The budget for the Parliamentary Departments in 2004-05 is \$93.4 million, and the budget for the Victorian Auditor-General's Office is \$25.5 million.<sup>3</sup> This chapter reviews the 2004-05 budget allocated for the Parliamentary Departments.

### 5.1 Parliamentary Departments overview

The Parliament is supported by three Parliamentary Departments: Department of the Legislative Assembly; Department of the Legislative Council; and Department of Parliamentary Services. The Committee noted that the Parliament's business plan has a focus on all Parliamentary Departments aiming to improve the services provided to and by Members of Parliament, who are representing the Victorian community.<sup>4</sup>

The business plan outlines five objectives for the Parliamentary Departments:<sup>5</sup>

- to provide quality advice, support and information services to Members and other clients;
- to develop and retain highly skilled and motivated people;
- to improve information management and parliamentary operations through innovative and practical technology based solutions;
- to ensure the optimal use of physical resources; and
- to manage the departments effectively and efficiently.

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<sup>1</sup> Budget Paper No. 3, *2004-05 Service Delivery*, p.250

<sup>2</sup> Budget Paper No. 4, *2004-05 Statement of Finances*, pp.112–117

<sup>3</sup> Budget Paper No. 3, *2004-05 Service Delivery*, pp.250–258

<sup>4</sup> *ibid.*, p.250

<sup>5</sup> Parliament of Victoria, *One Parliament: A business plan for the Parliamentary Departments' 2003-2006*, pp.2–7

### 5.1.1 Key challenges for the Parliamentary Departments in 2004-05

The Committee noted the focus for 2004-05 continued to be the implementation of the ‘One Parliament’ Project which seeks to reform the structure of the Parliamentary Departments to make them more efficient.<sup>6</sup> The Committee was advised that the Presiding Officers will be looking at further changes to the structure as a result of this project.<sup>7</sup>

The Parliamentary Departments identified key physical risks as: damage to assets or to Parliament House; and loss of IT data.<sup>8</sup> The operational risks associated with the sitting of the Houses were identified as: the capacity of Hansard to produce transcripts of proceedings within agreed timelines when there is an unexpected change to the planned sitting arrangements for the Houses; and capacity to meet occupational, health and safety requirements when the Houses extend their sitting times. The Parliamentary Departments advised that they have established strategies and procedures to manage these risks, which included the establishment of a Risk Management Committee.<sup>9</sup>

The Committee noted that the Parliamentary Departments do not have an overall safety management plan that is concurrent with their corporate plan’s objective ‘*to ensure the optimal use of physical resources*’.<sup>10</sup> The Parliamentary Departments have identified occupational health and safety as one of the key measures to achieve this objective.<sup>11</sup> The Committee suggests that a safety management plan should analyse the occupational health and safety environment within the parliamentary environment and provide for general measures such as:

- data collection systems capable of recording and analysing all accidents, injuries and WorkCover claims;
- continuous safety improvement action plans for all locations, including electorate offices;
- ongoing training of occupational health and safety representatives, management and staff in risk management techniques and procedures;
- clear definitions of responsibilities and accountabilities of all staff for occupational health and safety and injury management within the Parliamentary environment; and
- establishment of performance measures and targets for reduction of health and safety incidents.

<sup>6</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.2

<sup>7</sup> *ibid.*

<sup>8</sup> Parliamentary Departments’ response to the Committee’s 2004-05 Budget Estimates questionnaire, p.4

<sup>9</sup> *ibid.*

<sup>10</sup> Parliamentary Departments’, *Corporate Plan 2002-2005*, p.10

<sup>11</sup> *ibid.*

Accordingly, the Committee recommends that:

**Recommendation 22:**                    **The Parliamentary Departments develop a safety management plan linked to the occupational health and safety objectives of their corporate plan.**

### **5.1.2     *Key factors influencing the budget estimates***

The Parliamentary Departments identified the following key cost factors as impacting on their budget:<sup>12</sup>

- increased operating costs for the Members of Parliament vehicle fleet;
- increased operating costs of Parliament;
- increased lease costs for Members' electorate offices;
- the Presiding Officers and Clerks conference; and
- the celebration of the 150<sup>th</sup> anniversary of democratic government in Victoria.

The Committee noted that the Parliamentary Departments were provided with funding for these costs in their 2004-05 Budget.<sup>13</sup> The Parliamentary Departments were also provided with asset initiatives funding of \$6.1 million over two years, for repair works to Parliament House and for replacement of obsolete equipment.<sup>14</sup>

## **5.2            Output management framework**

Exhibit 5.1 illustrates the output management framework for the Parliamentary Departments. There are four output groups, comprising the Legislative Council, Legislative Assembly, Parliamentary Services and Parliamentary Investigatory Committees.

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<sup>12</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.3  
<sup>13</sup> Budget Paper No. 3, *2004-05 Service Delivery*, p.305  
<sup>14</sup> *ibid.*, p.306

**Exhibit 5.1: Parliamentary Departments  
Output management framework**

Output group	Output	Responsibility of	
		President	Speaker
Legislative Council	Procedural support, documentation preparation and provision of information for Council	✓	
Legislative Assembly	Procedural support, documentation preparation and provision of information for Assembly		✓
Parliamentary Services	Library - Information Provision	✓	
	Library - Information Access	✓	
	Library - Research	✓	
	Library - Public Relations and Education	✓	
	Debates - Hansard, Sessional indexes and Committee transcripts	✓	
	Joint Services - Support Services		✓
Parliamentary Investigatory Committees	Reports tabled and papers published	✓	✓

Source: *Parliamentary Departments response to the Committee's 2004-05 Budget Estimates questionnaire, p.1*

The Parliamentary Departments advised that the major change in the output group structure was the consolidation of the departments of the Parliamentary Library, Parliamentary Debates and Joint Services.<sup>15</sup> These departments, which were previously separate output groups, now form the outputs of the new Parliamentary Services output group (see exhibit 5.1). The Committee noted that the Presiding Officers' responsibilities for these former departments remained unchanged.

The Committee was interested to know of the accountability arrangements for outputs that are shared by the Presiding Officers. The Parliamentary Departments advised that:<sup>16</sup>

*[the] joint investigatory committee system is subject to policy determined jointly by the Presiding Officers and administered on their behalf on a day-to-day basis by the Clerks of Committees. The responsibility for the management of the committees is shared between the Legislative Council and the Legislative Assembly. ... To ensure uniformity in decision making between the two Houses the Presiding Officers and Clerks of Committees meet regularly and, as necessary, with the Chairs of Committees. Monthly meetings are also held between the Clerks of Committees and Committee Executive Officers.*

<sup>15</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.2

<sup>16</sup> *ibid.*, pp.1-2

### 5.3 Budget summary/financial analysis

The Parliamentary Departments output budget for 2004-05 is \$93.4 million, an increase of \$700,000 or 0.8 per cent compared to its budget for 2003-04 of \$92.7 million (see exhibit 5.2). Compared to the actual results for 2003-04 of \$89.8 million, the budget for the Parliamentary Departments for 2004-05 shows a variation of \$3.6 million, or 4 per cent (see exhibit 5.2).

#### Exhibit 5.2: Parliamentary Departments Output group budget

	Column 1	Column 2	Column 3	Column (3-2)/2
Output group	2003-04 Budget	2003-04 Actual (a)	2004-05 Budget	Variation (b)
	(\$ million)	(\$ million)	(\$ million)	(%)
Legislative Council (c)	13.1	12.9	14.1	9.3
Legislative Assembly (c)	26.6	25.0	27.1	8.4
Parliamentary Library (d)	2.4	2.3	n/a	n/a
Parliamentary Debates (d)	2.5	2.4	n/a	n/a
Joint Services Department (d)	42.8	42.5	n/a	n/a
Parliamentary Services	n/a	n/a	46.9	n/a
Parliamentary Investigatory Committees	5.3	4.7	5.3	12.8
<b>Total</b>	<b>92.7</b>	<b>89.8</b>	<b>93.4</b>	<b>4.0</b>

- Notes:
- (a) actual results for 2003-04 as indicated in the item Total Expenses in Note 2 of the financial statements of the Parliament of Victoria as provided in the Department of Parliamentary Services 2003-2004 Annual Report
  - (b) a negative variation indicates the 2004-05 budget decreased compared with 2003-04 actual
  - (c) includes special appropriations
  - (d) consolidated into Parliamentary Services in 2004-05. For details of funding available to the Parliamentary Library and Parliamentary Debates for 2004-05, see exhibit 5.3
- n/a not applicable

Sources: Parliamentary Departments response to the Committee's 2004-05 Budget Estimates questionnaire, p.14; Department of Parliamentary Services 2003-2004 Annual Report, p.16

The Committee was advised that for 2004-05 the Parliamentary Departments were provided with additional funding under the departmental funding model, and that the *'amounts were not apportioned but were provided to each output group individually.'*<sup>17</sup> In total the Parliamentary Departments received \$1.01 million and the allocation to each output group is:<sup>18</sup>

- Legislative Council (\$48,000);
- Legislative Assembly (\$83,000);
- Parliamentary Investigatory Committees (\$89,000); and
- Parliamentary Services - Parliamentary Library (\$43,000); Parliamentary Debates (\$45,000); and Corporate Services (\$704,000).

The output budget for the Parliamentary Investigatory Committees for 2004-05 was \$5.325 million.<sup>19</sup> In response to the Committee's query, the Parliamentary Departments advised that the additional funding provided from the departmental funding model had been included in the Parliamentary Investigatory Committees budget for 2004-05.<sup>20</sup>

The Committee understands it is the practice to *'retain in reserve an amount equal to 4 per cent of total [committee] funding to fund new or unforeseen inquiries and to assist those committees with greater workloads that require additional funding.'*<sup>21</sup> Even though the Committee was advised that the additional funding received from the departmental funding model has been included in the budget for the Parliamentary Investigatory Committees for 2004-05, because of the amount which is held in reserve, the Committee is unable to state conclusively that the additional funding has been on-passed and incorporated in the 2004-05 budgets of the 12 committees.

### **5.3.1 Funding available to Parliamentary Departments**

The *Appropriation (Parliament 2004/2005) Act 2004* provides the Parliamentary Departments with output funding of \$59.4 million (see exhibit 5.3). This funding will be supplemented by a carry over of unspent funding from 2003-04 which was estimated by the Parliamentary Departments to be \$1.8 million.<sup>22</sup> Thus, including funding from other sources, the Parliamentary Departments advised that the total funding available in 2004-05 is \$95.4 million.<sup>23</sup> The allocation of this funding by output groups is shown in exhibit 5.3.

<sup>17</sup> Parliamentary Departments' response to follow-up questions, received 13 October 2004, p.2

<sup>18</sup> *ibid*

<sup>19</sup> *ibid.*

<sup>20</sup> *ibid.*

<sup>21</sup> Department of the Legislative Council, *2003-2004 Annual Report*, p.36

<sup>22</sup> Presiding Officers' response to the Committee's follow-up questions, p.7

<sup>23</sup> Parliamentary Departments' response to follow-up questions, received 13 October 2004, p.1

**Exhibit 5.3: Parliamentary Departments  
Funding for 2004-05 by output group**

	Column 1	Column 2	Column 3	Column 4	Column (1+2+3+4)
<b>Output group</b>	<b>Appropriation (a)</b>	<b>Treasurers Advance</b>	<b>Special Appropriations (b)</b>	<b>Carry overs (c)</b>	<b>Funds available</b>
	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
Legislative Council	2,715		11,359	100	14,174
Legislative Assembly	4,297		22,782	200	27,279
<b>Parliamentary Services comprising:</b>					
Parliamentary Library (d)	2,400			100	2,500
Parliamentary Debates (d)	2,542			100	2,642
Corporate Services (d)	42,121	102		1,100	43,323
<b>Total Parliamentary Services</b>	<b>47,063</b>	<b>102</b>		<b>1,300</b>	<b>48,465</b>
Parliamentary Investigatory Committees	5,325			200	5,525
<b>Total</b>	<b>59,400</b>	<b>102</b>	<b>34,141</b>	<b>1,800</b>	<b>95,443</b>

Notes: (a) represents appropriation for the provision for outputs provided under the Appropriation (Parliament 2004/2005) Bill

(b) for further details, see Budget Paper No. 4, 2004-05 Statement of Finances, p.169

(c) unspent funding from 2003-04

(d) based on allocation by Parliamentary Services

Source: Parliamentary Departments response to the Committee's follow-up questions, received 13 October 2004, p.1

The Parliamentary Departments are negotiating a new enterprise bargaining agreement following the cessation of the previous agreement in November 2003. It is understood that the new agreement will provide for a 3 per cent increase in salaries. The Committee sought clarification from the Parliamentary Departments as to whether funding was provided by the Government for the salary increase. The Committee was advised that the departmental funding model provides the Parliamentary Departments with funding for salary increases of 2.25 per cent, and that the additional 0.75 per cent will have to be funded from within the Parliamentary Departments' existing operating budgets.<sup>24</sup>

<sup>24</sup> Parliamentary Departments' response to the Committee's follow-up questions, received 21 September 2004, p.2

Given the relatively small scale of the Parliamentary Departments' budget and the limited discretionary funding available, the Committee is concerned about the Parliamentary Departments' ability to absorb the salary increases without impacting on the extent and quality of the services provided. The Committee intends to monitor this closely.

At the estimates hearing, the Committee inquired into the implications of the new organisational structure for the funding of the Parliamentary Departments. The Speaker reassured the Committee that there would be no change, stating that:

*each year the budgetary process will be done exactly the same as it has been before, and the requirements of Hansard, the library and all other departments will be addressed in the same way as they have before.*<sup>25</sup>

However, the Committee noted that from 2004-05 the budgets of the Parliamentary Library and Parliamentary Debates are amalgamated into the new Department of Parliamentary Services. The Committee understands that the heads of the Parliamentary Library and Debates will have reduced autonomy in managing their budgets, staffing and resource requirements under the new arrangements. The implications of this will be discussed in further detail later in this chapter.

### **5.3.2 Operating performance**

The budgets for the Parliamentary Departments are appropriated on a break-even basis.<sup>26</sup> In 2004-05, the Parliamentary Departments budgeted revenue is \$95.3 million, an increase of \$1.4 million, or 1.5 per cent from the estimated actual revenue for 2003-04 (see exhibit 5.4).

Expenses for the Parliamentary Departments are expected to increase by the same amount in 2004-05 to \$95.3 million. The difference between the Parliamentary Departments' output budget for 2004-05 of \$93.4 million (see exhibit 5.2) and the operating expense of \$95.3 million is due largely to the carry over of unspent funding from 2003-04 included in the operating expense for 2004-05.<sup>27</sup>

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<sup>25</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.17

<sup>26</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.13

<sup>27</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.3

**Exhibit 5.4: Parliamentary Departments  
Statement of Financial Performance**

	Column 1	Column 2	Column 3	Column (3-2)/2
	<b>2003-04 Budget</b>	<b>2003-04 Estimated Actual</b>	<b>2004-05 Budget</b>	<b>Variation</b>
	(\$ million)	(\$ million)	(\$ million)	(%)
<b>Controlled items</b>				
Operating revenue (a)	92.7	93.9	95.3	1.5
Operating expense	92.7	93.9	95.3	1.5
<b>Net result</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Note: (a) includes special appropriations of \$33.6 million (2003-04 Budget); \$34.1 million (2003-04 Estimated Actual) and \$34.1 million (2004-05 Budget)

Source: Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.12

Included in the Parliamentary Departments' operating revenue for 2004-05 of \$95.3 million is special appropriations funding of \$34.1 million.<sup>28</sup> The bulk of this funding (\$33.7 million) is for the payment of Members' salaries and allowances, including superannuation contributions,<sup>29</sup> and is appropriated to the Department of Legislative Council and the Department of the Legislative Assembly.<sup>30</sup> Special appropriations funding for 2004-05 is anticipated to remain unchanged from the estimated actual appropriations for 2003-04.<sup>31</sup>

Excluding special appropriations totalling \$34.1 million, the Parliamentary Departments' output appropriations totalled \$61.2 million in 2004-05, an increase of \$1.4 million from the estimated actual special appropriations for 2003-04 (\$59.8 million).<sup>32</sup>

The Committee was advised that the operating costs of the Parliamentary Departments have increased by about 25 per cent from 'two or three parliaments ago' but had not been fully addressed in previous budgets.<sup>33</sup> The Committee noted that these cost increases were attributed to the additional resources required to address problems with Hansard related information technology, and the costs associated with the extra<sup>34</sup> Legislative Council sittings, such as overtime for parliamentary attendants, extra

<sup>28</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.12

<sup>29</sup> Budget Paper No. 4, 2004-05 Statement of Finances, p.169

<sup>30</sup> Parliamentary Departments' response to follow-up questions, received 13 October 2004, p.1

<sup>31</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.12

<sup>32</sup> *ibid.*

<sup>33</sup> Mr. S. Aird, Director, Corporate Services, transcript of evidence, 17 June 2004, p.11

<sup>34</sup> At the estimates hearing, the President of the Legislative Council advised that the House now sits for longer periods and extra days compared to years ago (Hon. M. Gould, President of the Legislative Council, transcript of evidence, 17 June 2004, p.11)

sessional Hansard reporters, additional security staff and the operations of the dining room during these sittings.<sup>35</sup>

At the estimates hearing, the Committee was presented with details of how the funding provided to the Parliamentary Departments will be expended. The Committee noted the following disbursements:<sup>36</sup>

- \$61.7 million for Members' of Parliament and staff costs (parliamentary staff and electorate officers);
- \$28.9 million for supplies and services;
- \$3.7 million in depreciation expenses; and
- \$700,000 in capital assets charge.

The 2004-05 Budget also provided the Parliamentary Departments with funding of \$6.1 million for capital works at Parliament House.<sup>37</sup> The Committee noted the Parliamentary Departments' proposed capital works projects for 2004-05 include:<sup>38</sup>

- Phase 5 of the air conditioning project;
- continuation of upgrade to security at Parliament House;
- fit-out of 4<sup>th</sup> floor of 157 Spring Street for occupancy; and
- addressing structural issues at Parliament House such as deteriorating ceilings and uneven floors, and replacement of obsolete equipment.

Because of the heritage status of the Parliament House the Committee considers that it is essential for the Parliamentary Departments to maintain a rolling facility management plan that identifies and prioritises capital works that are required for Parliament House and for the Parliamentary Departments to be provided with long-term funding arrangements to carry out the capital works necessary to maintain the Parliament House building.

### **5.3.3 Balance sheet performance**

Assets from controlled operations are estimated to increase by \$4.1 million, or 2.1 per cent, from \$196.1 million to \$200.2 million in 2004-05 (see exhibit 5.5).

Liabilities from controlled operations are estimated to be \$5.2 million, unchanged from the estimated actual liabilities for 2003-04 (see exhibit 5.5).

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<sup>35</sup> Mr. S. Aird, Director, Corporate Services, and Hon. M. Gould, President of the Legislative Council, transcript of evidence, 17 June 2004, p.11

<sup>36</sup> Presiding Officers', 2004-05 Budget Estimates presentation slides, 17 June 2004, p.3

<sup>37</sup> Budget Paper No. 3, *2004-05 Service Delivery*, p.306

<sup>38</sup> Presiding Officers', 2004-05 Budget Estimates presentation slides, 17 June 2004, p.9

**Exhibit 5.5: Parliamentary Departments  
Statement of Financial Position**

	Column 1	Column 2	Column 3	Column (3-2)/2
	<b>2003-04 Budget</b>	<b>2003-04 Estimated Actual</b>	<b>2004-05 Budget</b>	<b>Variation</b>
	(\$ million)	(\$ million)	(\$ million)	(%)
<b>Controlled items</b>				
Controlled assets	195.9	196.1	200.2	2.1
Controlled liabilities	5.2	5.2	5.2	0.0
<b>Net assets</b>	<b>190.7</b>	<b>190.9</b>	<b>195.0</b>	<b>2.1</b>

Source: *Parliamentary Departments' response, to the Committee's 2004-05 Budget Estimates questionnaire, p.15*

The increase in assets in 2004-05 is attributed mainly to funding for depreciation equivalents from increased asset values following a reassessment of asset values in February 2004.<sup>39</sup>

### 5.3.4 Carry over funding

The Parliamentary Departments advised that based on estimates as at 1 July 2004, it anticipates that unspent 2003-04 funding of \$1.8 million will be carried forward to 2004-05.<sup>40</sup> For details of the allocation of the carry over funding to the Parliamentary Departments, see exhibit 5.3.

The Committee noted that the Parliamentary Committees had an estimated carry over unspent funding of \$200,000 (see exhibit 5.3) from 2003-04 which will be applied to new committee inquiries and any overseas travel that committees may need to undertake to obtain expert evidence. The carry over funding will not be applied to inquiries that were carried over to 2004-05.

The Committee points out that the conduct of committee inquiries are similar to the conduct of performance audits undertaken by the Victorian Auditor-General's Office and can cross over different budget periods.<sup>41</sup> The funding arrangements for the Victorian Auditor-General's Office in relation to performance audits is agreed in terms of estimated cost of the audits regardless of timeframes. Where any of these audits are still in progress at the end of a particular financial year, the unexpended portion is carried forward to the next financial year.

<sup>39</sup> Presiding Officers' response to the Committee's follow-up questions, p.4

<sup>40</sup> *ibid.*, p.7

<sup>41</sup> Public Accounts and Estimates Committee, *Report on the 2001-2002 Budget Estimates*, pp.548-549 (Report No. 43) November 2001

Most parliamentary committees undertake inquiries that, for a range of reasons, extend beyond one financial year. For example during 2004-05 this Committee will be reporting on four inquiries that were approved in the previous financial year.

The Committee is strongly of the view there must be a degree of certainty for the funding of parliamentary inquiries and for their completion and reporting.

Accordingly, the Committee recommends that:

**Recommendation 23:**                    **The Presiding Officers ensure that the funding approved for carry over for the output group Parliamentary Investigatory Committees also be applied towards the cost of inquiries that were not completed within a financial year and consequently have to report at a later stage.**

#### **5.4 Performance measures**

At the estimates hearing, the Committee was advised that the performance measures for the Parliamentary Departments are directly related to activities that are performed and can be controlled by parliamentary staff.<sup>42</sup> The Committee was also advised that performance measures are not established for Members of Parliament, although the annual reports of the Parliamentary Departments incorporate statistics on Members activities in Parliament.<sup>43</sup>

The Committee accepts that the new arrangements under the ‘One Parliament’ strategy are designed to improve the overall efficiency of the Parliamentary Departments. However, the Committee believes that it will be important for the Parliament to monitor the new arrangements to determine whether the projected benefits materialise and service delivery improves.

The Parliamentary Library altered six performance measures for 2004-05.<sup>44</sup> The Committee was advised that the discontinued measures for the Parliamentary Library were replaced by other measures that provided a more accurate identification of the service and the cost of provision of that service.<sup>45</sup> The Committee also noted the reduction of targets for two established performance measures relating to the quantity and timeliness of services provided (see exhibit 5.6).

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<sup>42</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.3 and p.10

<sup>43</sup> *ibid.*, p.9

<sup>44</sup> Budget Paper No. 3, *2004-05 Service Delivery*, p.357

<sup>45</sup> Parliamentary Departments’ response to the Committee’s 2004-05 Budget Estimates questionnaire, p.6

**Exhibit 5.6: Parliamentary Library  
Selected performance measures**

Output	Performance measures	2003-04 Target	2004-05 Target
Information Provision	Service Requests satisfied	9,800	8,500
Research	Requests completed within agreed timeframe	90 per cent	80 per cent

Source: Budget Paper No. 3, 2004-05 Service Delivery, p.253

The Committee was advised that:<sup>46</sup>

- the performance measure *service requests satisfied* measures occasions when users of the library request information directly from Library staff (reference questions, loans and delivery of TV and radio clips). Basic information requests have declined because users of the Library are now able to directly access materials on the Library's intranet. The reduction in the performance target is commensurate with the rise in the number of users of the Library's intranet site, which has increased by nearly four-fold in the last four years; and
- the target for the performance measure *requests completed within agreed timeframe* has decreased because of improvement to the methodology for collecting information for this target. The previous year's figure was based on a sampling technique which related to the timeliness of specific jobs. For 2004-05 information will be collected from a new question in the annual client survey which will measure the overall user perceptions of the timeliness of the service.

The Committee is satisfied with these explanations.

## 5.5 Human resources issues

### 5.5.1 Parliamentary Departments workforce

The Parliamentary Departments advised that as at 30 June 2004 it expects to employ 456.49 full-time equivalent staff, inclusive of 240.93 electorate officers<sup>47</sup> (see exhibit 5.7). The number of staff is estimated to remain unchanged in 2004-05.

<sup>46</sup> Parliamentary Departments' response to the Committee's follow-up questions, received 21 September 2004, p.1

<sup>47</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.9

## Exhibit 5.7

Parliamentary Departments  
Equivalent Full Time Staff

	June 2003 Actual	June 2004 Estimate	June 2005 Estimate
<b>Ongoing staff</b>			
Legislative Assembly (a)	30.55	27.95	27.95
Legislative Council (a)	18.00	19.00	19.00
Parliamentary Library	23.00	23.00	23.00
Parliamentary Debates (b)	20.77	22.55	22.55
Joint Services Department (c)	274.82	277.37	(e) n/a
Parliamentary Services	n/a	n/a	277.37
Joint Investigatory Committees (d)	5.60	7.60	7.60
<b>Sub total</b>	<b>372.74</b>	<b>377.47</b>	<b>377.47</b>
<b>Fixed term staff</b>			
Legislative Assembly	4.00	4.00	4.00
Legislative Council	1.00	-	-
Parliamentary Library	2.00	2.00	2.00
Parliamentary Debates	1.00	1.00	1.00
Joint Services Department (c)	7.60	8.60	(e) n/a
Parliamentary Services	n/a	n/a	(c) 8.60
Joint Investigatory Committees	27.00	39.00	39.00
<b>Sub total</b>	<b>42.60</b>	<b>54.60</b>	<b>54.60</b>
<b>Casual staff</b>			
Legislative Assembly	-	-	-
Legislative Council	-	-	-
Parliamentary Library	0.09	-	-
Parliamentary Debates	-	-	-
Joint Services Department (c)	24.20	24.32	(e) n/a
Parliamentary Services	n/a	n/a	(c) 24.32
Joint Investigatory Committees	0.07	0.10	0.10
<b>Sub total</b>	<b>24.36</b>	<b>24.42</b>	<b>24.42</b>

**Exhibit 5.7 – continued**

	June 2003 Actual	June 2004 Estimate	June 2005 Estimate
<b>Total staff</b>			
Legislative Assembly (a)	34.55	31.95	31.95
Legislative Council (a)	19.00	19.00	19.00
Parliamentary Library	25.09	25.00	25.00
Parliamentary Debates (b)	21.77	23.55	23.55
Joint Services Department (c)	306.62	310.29	(e) n/a
Parliamentary Services (c)	n/a	n/a	310.29
Joint Investigatory Committees (d)	32.67	46.70	46.70
<b>Total</b>	<b>439.70</b>	<b>456.49</b>	<b>456.49</b>

- Notes:
- (a) excludes Members of Parliament
  - (b) includes sessional staff (3.77 full-time equivalent in June 2003 and 4.55 full-time equivalent in June 2004 and June 2005),<sup>48</sup>
  - (c) includes catering staff and electorate officers. The number of electorate officers was 238.08 full-time equivalent in June 2003 and 240.93 full-time equivalent in June 2004 and June 2005<sup>49</sup>
  - (d) the actual number of staff engaged in committee work is higher as committees are also assisted by staff seconded from Government bodies
  - (e) combined with Parliamentary Services
- n/a not applicable

Sources: Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, pp.8–11; Parliamentary Departments' response to the Committee's follow-up questions, received 21 September 2004, pp.1–2

**5.5.2 Staffing issues**

The Parliamentary Departments are currently implementing the transition to the new non-executive career structure which is intended to provide for a clearer career structure and an orderly progression system.<sup>50</sup> A key feature of the career structure is its non-overlapping classifications system, which replaced the previous classification system whereby maximum salaries within certain classifications overlapped minimum salary levels in the next higher classification.<sup>51</sup> Parliamentary staff employed under the *Parliamentary Officers Act* 1975 and casual employees, are affected by this transition.

<sup>48</sup> *ibid.*, pp.8–10

<sup>49</sup> *ibid.*

<sup>50</sup> Office for Workforce Development, *Careers VPS*, 11 July 2003, p.1

<sup>51</sup> *ibid.*, p.2

While staff expected to be translated into the new structure on the basis of their current classification and salary, for some staff who are currently paid in the overlap between the grade classifications of the previous structure, their translation will be complicated by an overgrade review which will assess whether the affected staff are undertaking work at the level of the higher grade or at their existing grade.<sup>52</sup> Around 50 per cent of parliamentary staff were identified to come within this overgrade category. The Committee is surprised that such a high percentage of staff were deemed to be overgraded, compared to the Government where only the Department of Justice was identified as having 10.48 per cent of staff (excluding specialist staff) confirmed as being in the overgrade category.<sup>53</sup>

## 5.6 Key issues impacting on the Parliamentary Departments

The departments' response to the Committee's 2004-05 Budget Estimates questionnaire and the estimates hearing identified the following issues that will affect the Parliamentary Departments and their budget estimates for 2004-05.

### (a) *The One Parliament Project*

Under the 'One Parliament' Project, the number of Parliamentary Departments was reduced from five to three. The service departments comprising of the former departments of Parliamentary Library, Parliamentary Debates and Joint Services were merged to create the new Department of Parliamentary Services.

The Parliamentary Departments indicated that the new structure will:<sup>54</sup>

- enable the Presiding Officers to focus on high level, strategic issues;
- allow the Clerk of the Legislative Assembly and the Clerk of the Legislative Council to focus on running their respective departments without being diverted by operational issues from the service departments;
- support a high level of coordination between the service departments; and
- streamline the integration of policy and service delivery across the Parliament.

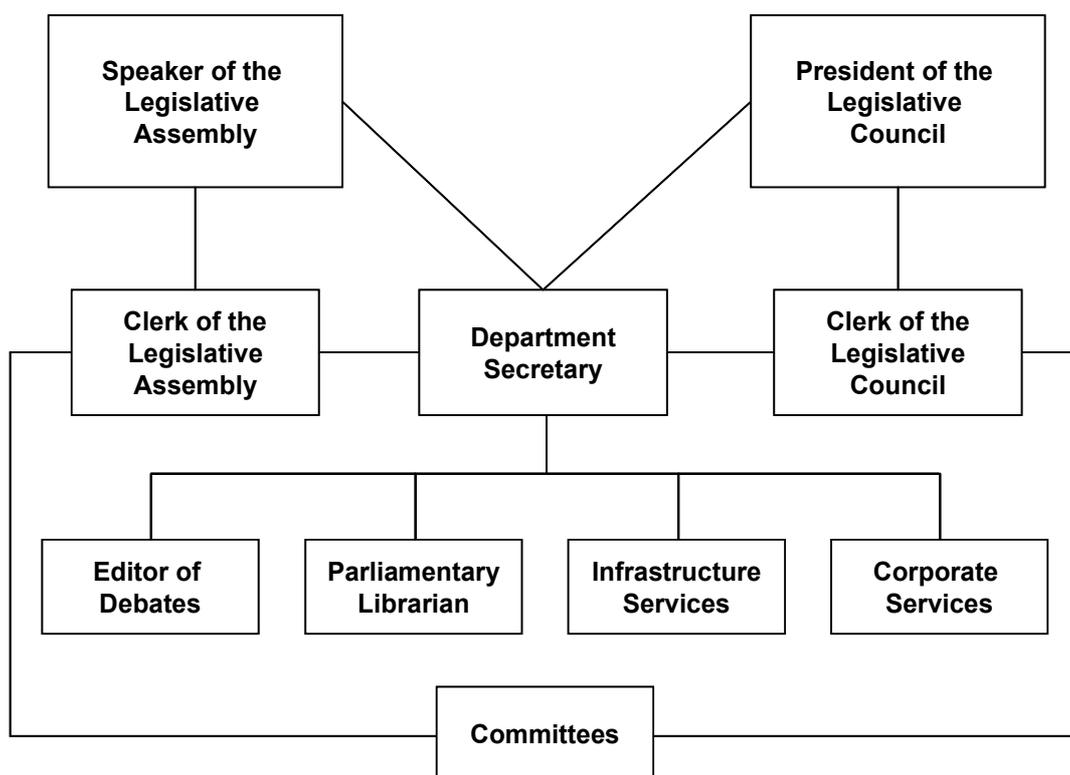
The Committee notes that the new structure is intended to produce a less fragmented and more effectively coordinated administration, which should improve the efficiency of the Parliamentary Departments. Exhibit 5.8 illustrates the new structure.

<sup>52</sup> Office for Workforce Development, *Careers VPS*, 16 October 2003, p.2

<sup>53</sup> Premier of Victoria's response to the Committee's follow-up questions, p.11

<sup>54</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.2

**Exhibit 5.8: New structure of the Parliamentary Departments**



*Note:* The Infrastructure Services and Corporate Services business units were under the Joint Services Department in the old Parliamentary Departments structure

*Source:* Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.3

The heads of the service departments who previously reported to the respective Presiding Officers, now report to the Secretary of the Department of Parliamentary Services, who in turn reports to the Presiding Officers (see exhibit 5.8).<sup>55</sup> The Committee was advised that other than the creation of the position of Secretary of Department of Parliamentary Services there has been no change to the internal structure of the Parliamentary Departments.<sup>56</sup> The Committee was informed that the restructure will not result in job losses, but there might be slight changes in terms of realignment of positions.<sup>57</sup>

As shown in exhibit 5.8, the head of the Parliamentary Library who previously reported directly to the President of the Legislative Council will now report to the Secretary, Parliamentary Services under the new structure. The Committee notes the vital importance of the Parliamentary Library to Members of Parliament and consequently the Committee considers it desirable for the Parliamentary Library to retain its autonomy under the new structure.

<sup>55</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, pp.5-6

<sup>56</sup> Parliamentary Departments' response to the Committee's 2004-05 Budget Estimates questionnaire, p.2

<sup>57</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.2

Accordingly, the Committee recommends that:

**Recommendation 24:**            **The autonomy of the Parliamentary Library be retained under the Department of Parliamentary Services and that a protocol formalising this independence be signed by the Presiding Officers.**

**Recommendation 25:**            **The autonomy of the Parliamentary Library be reinforced through amendments to the terms of reference for the Library Committee.**

Furthermore, as the Parliamentary Library is a key source of independent information for Members of Parliament and parliamentary investigatory committees, it is essential that the library has sufficient resources to enable it to continue to function effectively.

Accordingly, the Committee recommends that:

**Recommendation 26:**            **The resources and services to be provided to the Parliamentary Library in the amalgamated department be specified in an annual agreement between the Secretary of the Department of the Parliamentary Services and the Parliamentary Librarian, and approved by the Presiding Officers following consideration by the Library Committee.**

At the estimates hearing, the Committee enquired as to whether the Parliamentary Library and the Parliamentary Debates will continue to produce their own annual reports, under the new structure. The Committee was advised that each department will keep producing its own annual report, but these will be consolidated into one volume.<sup>58</sup> Although the Committee accepts that the production of an annual report under the new restructure is logical, it is important that the same level of information previously provided by the Library in its annual report is retained. It will be important for the Parliament to determine whether the objectives and performance measures developed in the business plan for the Parliamentary Library are achieved. These comments also apply to Parliamentary Debates.

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<sup>58</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.19

Accordingly, the Committee recommends that:

**Recommendation 27:**            **The Parliamentary Library and Parliamentary Debates continue to produce detailed information for inclusion in the annual report of the Department of Parliamentary Services in order that Members of Parliament can determine whether business plans and performance measures are achieved.**

**Recommendation 28:**            **The Parliamentary Library and Parliamentary Debates continue to produce detailed information for inclusion in the annual business plan.**

At the estimates hearing, the Committee requested clarification about the structure of the Department of Parliamentary Services, and the position of the Secretary, Department of Parliamentary Services. The Committee was advised that:<sup>59</sup>

*in relation to the parliamentary services act, ... the act has not changed since [the head of the previous Department of Parliamentary Services] was appointed. It refers to a structure that was put in place when she was here and it has never been changed. There is a position there that Stephen has gone into, although the structure is slightly different now.*

However, the Committee understands that the former position of the head of the previous Department of Parliamentary Services was restructured into two separate positions - Director of Corporate Services, and Director of Infrastructure Services - in the then new Joint Services Department following the departure of the head of the previous Department of Parliamentary Services.

The Presiding Officers advised that they will be reviewing the *Parliamentary Officers Act 1975* during the spring session.<sup>60</sup>

The Committee considers it is essential that this legislative review should be given priority and all Members of Parliament given the opportunity to be consulted about any proposed amendments.

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<sup>59</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.7

<sup>60</sup> Presiding Officers' response to the Committee's follow-up questions, p.2

Accordingly, the Committee recommends that:

**Recommendation 29:**            **The Presiding Officers provide an opportunity for all Members of Parliament to be consulted on proposed changes to the *Parliamentary Officers Act 1975*.**

**(b)            *Parliamentary research projects***

The previous Presiding Officers sponsored a Monash University research project. The focus of the project was on investigating the reputation and standing of politicians in the community.<sup>61</sup> The motivation for the project arose from opinion poll data showing a declining trend in the reputation of Members of Parliament and a concern that, if the trend continued, it could threaten the legitimacy of the Parliament. The Committee was provided with a preliminary report and advised that the President of the Legislative Council has requested a more comprehensive report.<sup>62</sup>

At the estimates hearing, the Committee was advised that a *'lot of the information [in the report] is quite out of date'*<sup>63</sup> and that some of the recommendations were *'well meaning but perhaps not all that practical'*.<sup>64</sup> The Committee was informed that to implement the recommendations most of which would require additional staff, would involve significant costs for which the Parliamentary Departments do not have a budget, and that the extent of the implementation of the recommendations would be determined by these financial constraints.<sup>65</sup>

The Presiding Officers subsequently advised the Committee that since the report was produced, there had been a number of developments which had superseded the recommendations of the report including:<sup>66</sup>

- establishing training programs for new Members and staff;
- increasing the number of open days that the public can visit the Parliament;
- refining the existing training and information programs for Members and their staff, and for parliamentary officers; and
- increasing the awareness of parliamentary and electorate officers of the information and support networks that exist.

The Committee was advised that:<sup>67</sup>

<sup>61</sup> Dr. K. Coghill and C. Lewis, *Protecting the reputation and standing of the institution of parliament: a study of perceptions, realities and reforms*, Briefing for Members of the Parliament of Victoria, 21 April 2004, p.1

<sup>62</sup> Presiding Officers' response to the Committee's follow-up questions, p.2

<sup>63</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.23

<sup>64</sup> *ibid.*

<sup>65</sup> *ibid.*, pp.23-24

<sup>66</sup> Presiding Officers' response to the Committee's follow-up questions, pp.2-3

- the project cost \$17,600 per year (including GST) for the duration of the project which was conducted over the years 2001–2003; and
- a request was made to Monash University to return the remaining funds allocated to the project which is '*understood to be \$10,000*'<sup>68</sup> and provide a statement relating to the funds expended to date.

The Committee recommends that:

**Recommendation 30:**                    **The Presiding Officers establish Steering Committees to guide future research projects to ensure that the Parliament receives value for money from these projects.**

**(c)            *Implementation of Auditor-General's recommendations on the Parliament's information technology system (Parlynet 2)***

The Committee was advised that the Parliamentary Departments have been progressively implementing the Auditor-General's recommendations arising from his review on the Parliament's information technology system upgrade (Parlynet 2) in 2003.<sup>69</sup> The Parliamentary Departments indicated that the implementations were undertaken within the financial constraints of their budget.<sup>70</sup> The status of the recommendations as at 30 June 2004 is:<sup>71</sup>

- 21 recommendations have been implemented;
- 17 further recommendations are in progress; and
- three further recommendations have been targeted for implementation by 2005.

The Committee sought advice as to whether the Parliamentary Departments intend to undertake an external review to ensure that the issues identified by the Auditor-General have been addressed. The Parliamentary Departments advised that they do not intend to undertake an external review in 2004-05 but intend to conduct a review when the majority of the recommendations have been implemented.<sup>72</sup> The Parliamentary Departments indicated that as they are not able to implement a number of the recommendations without additional funding, the exact time of the review cannot be determined at this stage.<sup>73</sup>

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<sup>67</sup> *ibid.*, pp.1–2

<sup>68</sup> *ibid.*, p.2

<sup>69</sup> Presiding Officers' response to the Committee's follow-up questions, p.3

<sup>70</sup> *ibid.*

<sup>71</sup> *ibid.*, Attachment 3

<sup>72</sup> *ibid.*, p.3

<sup>73</sup> *ibid.*

The Committee noted that the Parliamentary Departments have engaged the services of the IT Director from the Department of Justice to act as an independent advisor to the Parliamentary Departments on information technology related matters.<sup>74</sup> The Committee welcomes the appointment of an independent advisor. The Committee was also advised that the Parliament has re-established the Information Technology Sub Committee of the House Committee.<sup>75</sup>

The implementation of effective information systems is critical to the success of the 'One Parliament' Project, as well as improving the efficiency of the Parliamentary Departments and enhancing services to Members of Parliament. The Committee is concerned that despite \$189,236 being spent in 2003-04<sup>76</sup> on consultants fees to identify and resolve issues that affect the operations of the IT systems, there are still ongoing problems. The Committee is aware that the Parliamentary Departments have in place management plans to address the issues arising from the Parliament's information systems. The Committee noted the advice of the Presiding Officers that some of the Auditor-General's recommendations cannot be implemented unless additional funding is provided.<sup>77</sup>

The Committee recommends that:

**Recommendation 31:                   The Presiding Officers make representations to the Government for additional funding to enable the implementation of the Auditor-General's outstanding recommendations relating to the Parliament's information technology upgrade (Parlynet 2).**

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<sup>74</sup> *ibid.*

<sup>75</sup> Mrs. J. Maddigan, Speaker of the Legislative Assembly, transcript of evidence, 17 June 2004, p.3

<sup>76</sup> Presiding Officers' response to the Committee's follow-up questions, Attachment 2

<sup>77</sup> *ibid.*, p.3

