

# **Annual Report and Statements of Account**

**for the year ended 30 June 2004**

Parliamentary Service  
Te Ratonga Whare Paremata

*Presented to the House of Representatives pursuant to  
Section 39 of the Public Finance Act 1989*



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## Directory

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### *Auditor*

Chong Lim  
Audit New Zealand  
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on behalf of the Auditor-General

### *Bankers*

Westpac Banking Corporation

## Principal Duties of the Parliamentary Service

The Parliamentary Service is governed by the *Parliamentary Service Act 2000*. Under Section 7 of the Act, the principal duties of the Parliamentary Service are:

- to provide administrative and support services to the House of Representatives and to members of Parliament; and
- to administer, in accordance with directions given by the Speaker, the payment of funding entitlements for parliamentary purposes.

## Summary of Output and Outcome Information

The Parliamentary Service produces 6 classes of outputs. These are as follows.

- *Services to Members:* support services to individual members' offices, both at Parliament and elsewhere, and travel services to members

Expected outcome: members are provided with a range of services and facilities, which is responsive to their needs, as legislators and elected representatives.

- *Parliamentary Information Services:* library services, and the provision of computing facilities at Parliament and computing and telecommunications advisory services to members and staff

Expected outcome: members have access to the information they need and have access to a level of computing and information technology that allows them to fulfil their roles as legislators and representatives.

- *Catering Services:* for members and staff of the parliamentary complex

Expected outcome: members have the necessary in-house catering services that are flexible enough to meet their needs as legislators and representatives.

- *Building and Operations Management:* buildings maintenance and associated support services to ensure that the constitutional and institutional requirements of a Parliament House are provided

Expected outcome: the parliamentary complex meets the constitutional and institutional requirements of a Parliament; that is, providing both accessibility

and security, a forum for debate and public participation, as well as effective office facilities.

- *Policy Advice:* policy advice to the Speaker and Parliamentary Service Commission

Expected outcome: the Speaker, as responsible Vote Minister and as Chair of the Parliamentary Service Commission, receives advice as necessary to carry out his duties.

- *Personnel and Accounting Services to Members and Other Agencies:* provision of services to members in processing and paying their accounts; and bureau accounting and personnel services to other parliamentary offices

Expected outcome: members and parliamentary offices are aware of the financial implications and consequences of their activities and, in terms of accounts, receipt, vetting and payment are accurate, timely and lawful. Payroll services are accurate and timely.

In addition, the administration of a number of categories of Crown payments is supported from the Vote. These include the payment of: members' salaries and allowances, their travel costs, their communication costs, the costs of maintaining offices elsewhere than at Parliament and other activities associated with being an elected representative, as well as support for parliamentary party Leaders' offices.

## **REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDING 30 JUNE 2004 OVERALL PERFORMANCE IN 2003/2004**

### *Executive Wing Refurbishment*

The refurbishment of office accommodation on Levels 4-10 was completed in October 2003 with the reoccupation of the Cabinet Room. Upgrading of the ventilation systems to the National Crisis Management Centre in the sub-basement and other enabling works to the building services for the final stage has been completed.

Design work on the refurbishment of the public spaces on the lower floors has been completed and included in the contract documentation of the final stage of the project for tendering in July 2004. This stage will also include additions and alterations that will facilitate the security processing of occupants and/or visitors to the parliamentary complex. If there is a satisfactory outcome to this tender process, work is expected to commence later in 2004 and be completed in 2006.

### *Outputs*

All outputs were provided within appropriations. Of the 64 reportable performance measures, 62 measures were fully achieved and two were not achieved.

The explanation for the references to customer satisfaction ratings in the following output commentaries is set out on pages 36-37.

## **Services to Members**

### *Office of the Speaker*

The 150th anniversary of Parliament, which culminated in a special sitting of the House on May 24, drew considerable media attention. The Speaker took part in extensive television, radio and press coverage during this significant event.

The Speaker addressed a wide range of groups during the year, in particular the Latvian Parliament, those attending Anzac Day Observations at Le Quesnoy in France and the inaugural meeting of the NZ Alumni Association in Kuching, Malaysia.

Throughout the year the staff of the Speaker's office provided the required administrative support to the Speaker and Chair of the Parliamentary Service Commission.

### *Members' Services*

A theme that has run through activities this year has been work towards providing a level of administrative support to out-of-Parliament staff consistent with that available to Wellington based staff.

The way services have been supplied to members in the past was the subject of a review that continued over the year. It is expected that any changes that come out of the review process will better integrate current and future support to members and staff both in and out of Parliament, while ensuring that the Parliamentary Service maintains systems to meet its employer responsibilities including to those staff working in the parliamentary party and out-of-Parliament offices.

The ACC Workplace Safety Management Practices Programme was extended to include out-of-Parliament offices during the year. This included setting up hazard registers in all offices and producing a health and safety booklet specifically for out-of-Parliament staff. As well, health, safety and security audits continued to be carried out for new offices, with repeat audits for existing offices as the need arose.

Five regional seminars for out-of-Parliament staff were held during the year. The "road show" approach combined presentations from the General Manager, Parliamentary Library, Office of the Clerk and the external consultancy that provides advice on health, safety and security issues in out-of-Parliament offices. Aside from the provision of information on a range of topics of importance to out-of-Parliament staff, the seminars were designed to encourage better integration of services between Parliamentary Service staff working throughout the country and those in Wellington.

As a result of collective bargaining, a designated special service allowance was implemented in order to recognise specialised services that some staff, both in and out of Parliament, were supplying to members in addition to their core job descriptions. As at 30 June, there were 180 staff who received the allowance.

Members' Services staff were involved in extra work as a result of the Speaker's Determination on *Parliamentary Travel, Accommodation, Attendance, and Communications Services Determination 2003*, which came into force on 1 November 2003. An interim handbook for members was distributed that included newly designed forms and updated guidelines designed to clarify the different approach taken by this Determination.

### *Travel Office*

The Parliamentary Travel Office continues to achieve very high ratings in its customer satisfaction surveys indicating a high level of competency and professionalism from the Travel Office team. The ability to continue to successfully apply low cost fares for members' travel requirements has meant considerable savings from the travel budget and a decrease in expenditure for current members.

## **Parliamentary Information Services**

### *Parliamentary Library*

2003/2004 was a year of consolidation for the Parliamentary Library. The Library now has 12 Research Analysts and this has had a significant impact on the research requests received. There has been a reversal of the five-year slide in information requests and the Library is now seeing a steady increase in research requests. It is particularly pleasing to see the increase in work for Select Committees.

The Select Committee work has been part of the key theme of the collaboration with the Office of the Clerk. The Library has worked with the Office of the Clerk as joint sponsors for a large project in conducting the business analysis prior to redeveloping both the Internet site for Parliament and the intranet site. This will continue through 2004/2005 ending with the actual redevelopment of the sites.

The Parliamentary Librarian visited Tonga in June to set up a small parliamentary library for the Tongan Parliament and to train Tongan staff to manage it. At the same time the Clerk of the House of Representatives was in Tonga to advise the Tongan Parliament on reform in parliamentary procedure. This provided an opportunity for much greater understanding of the democratic process and how accountability and transparency support it.

A highlight of the year was winning the 3M Award for Innovation in Libraries for the development of the Library's current information service *infocus*. The prize of \$4000 for staff development was spent on a very worthwhile training day "Behind the News" where staff visited the Press Gallery, Radio New Zealand and the TVNZ Archive.

The passing of the *National Library Act 2003* meant that the Parliamentary Library ceased to be a beneficiary from legal deposit after 100 years of receiving New Zealand materials by that means. The Library has received a compensatory increase in baseline funding to enable purchase of New Zealand information formerly received under legal deposit. A large project, to ensure continuity of supply of serials and newspapers, was completed during

the year to ensure a continuity of supply after legal deposit formally ceased on 30 June 2004. This change has been a good one for us, enabling much more flexibility in choosing the most appropriate document format, particularly for legal materials, and a more focussed collection policy.

From June to December 2003 the Library had a staff exchange with the Scottish Parliament. The exchange was very successful, generating a wealth of ideas and a rich exchange of knowledge and experience between the two library services, which serve very similar parliaments.

A staff member was seconded to the National Library to project manage a pilot for co-operative purchasing of electronic resources for all New Zealand libraries. The pilot was very successful in the level of uptake from New Zealand libraries and has developed into the Electronic Purchasing in Collaboration (EPIC) consortia.

The Library developed some new services to clients during the year. *Clippings infocus* has been a great success, with nearly all members subscribing. This service provides digital images of newspaper articles about members and political parties.

The Library has made progress on two services, which are in prototype and will be launched to clients in 2004/2005. *Legislation in Progress* will make it easy for members and parliamentary workers to find all the material related to legislation (Bills, Select Committee reports, Hansard, Bills Digests, etc). *Members and Ministers* is a database of public information about members.

### *Information and Communications Services*

The financial year 2003/2004 was a productive one for the Branch.

At the beginning of the year, Axon became the outsourcing company providing helpdesk, desktop and server support and server administration. The handover was a reasonably smooth one and, as expected, Axon took several months to become acquainted with the intricacies of the site. Axon brought a new methodology and a fresh view on delivery of service and support, which has been implemented gradually through the year.

In December, the Parliamentary Service replaced members and secretaries' desktop computers and monitors, with new small form factor desktop computers and 19-inch LCD flat panel displays. This represented a significant upgrade to the equipment used by members of Parliament and was warmly received. The hardware upgrade also gave the opportunity to upgrade some software components as well.

Further upgrades in the network, taken in recognition of the importance to members of anytime/anywhere access, included the implementation of a

gateway that allowed the wireless connection and synchronisation of campus e-mail, diary, and contacts using mobile phone or PDA devices. A number of members are using this service.

The Parliamentary Service implemented a storage area network (SAN) to improve the reliability of the basic infrastructure. Prior to the completion of the project there was a significant mail system failure that highlighted shortcomings in the current infrastructure. Whilst the system upgrade has addressed a number of the issues raised by the failure, there are still a number to be addressed and resolved.

## **Catering Services**

There was no change in the Bellamy's catering service's contractor during the year. The required performance standards were achieved, as evidenced by quarterly audits, and customer complaint levels were low, relative to custom.

A survey of members was undertaken in December 2003 and responses were received from 57 members (47.5%). Survey ratings from 40 of those members (70%) gave the overall standard of catering operations as good or better, which was marginally down on previous years. The subsidy directed towards targeted services remained unchanged, and functions and bar operations continues to be on a full cost recovery basis. 'Incentive' payments, linked to quarterly independent performance standards auditing and part of the catering contract, were achieved by the contractor during the year.

Due to the timing of the refurbishment of the Executive Wing (Beehive), the existing contract with the caterer is being reviewed with the view to extending it until the refurbishment is complete.

## **Building and Operations Management**

### *Buildings Facilities*

The Branch has been able to take advantage of the flexibility of accommodation in Bowen House to effect alterations as necessary to allow for movements of members and party staff. The Branch also worked on behalf of Office of the Clerk with alterations and department relocations into Bowen House and the Parliamentary Library building. As well, work commenced on proposals to refurbish eight levels in Bowen House. This work was considered necessary, as the standard of accommodation provided for members had fallen below the expected standard for office accommodation. The last fitout work was over 13 years ago and the new refurbishment will take advantage of advances in building technology over that time. It is also intended that a suite of select committee rooms on Level 1 of Bowen House will be provided.

180 new ergonomic workstations were provided for members and staff who work in Bowen House. This work was needed to comply with health and safety requirements.

Further energy conservation measures have been pursued and remain a constant factor in the overall building management system. Modifying lighting patterns, especially in after-hours situations, has reduced wastage. Energy consumption was regularly monitored throughout the year and overall savings of around 5% were achieved.

The Branch has the responsibility of negotiating and administering the major contracts servicing the complex. In the past year, an electricity contract has been negotiated that has stable pricing, thus allowing for more accurate planning of energy usage and cost. Tenders were invited for the supply of natural gas and a new fixed-price supply contract for a two-year period was entered into with a supplier. The re-tendering process to cover cleaning services for the complex began in June and is expected to be completed in September 2004.

The Branch began the preparation of documentation for the facilities management contract to be re-tendered later in 2004. A service contract was entered into for the maintenance of all the sound enhancement systems in use in the complex to ensure a high standard of reliability of the systems.

The statues in front of Parliament House were restored during the year and this, along with the high level of presentation maintained by the ground maintenance contractor, has helped to maintain the grounds and trees around the complex to the expected standard of a parliament.

The Executive Wing is now fully occupied from Level 4 to Level 10, with all Ministers and staff settled in. The Branch will continue to work closely with the Building Development Group throughout the Stage 2 refurbishment.

Upgrading of the Executive Wing generator during the past year has ensured a greater reliability in emergency power supplies, and an upgrade to the safety anchor points has improved safety access to the outside of the building.

Further work during the year included the refurbishment of the air conditioning chillers situated on the Parliamentary Library roof to increase the reliability of chilled air supply.

The Building Facilities job track system, introduced last year, continues to be the main method of logging requests and further improvements will help in reporting specific job information and generating reports. The customer satisfaction result for the Branch was 90%.

The microphones used by members in the House of Representatives had become unreliable and were replaced. This has resulted in an improved quality of sound reproduction within the chamber.

The Branch completed work for the Office of the Clerk installing video conferencing and closed circuit television equipment in all the large select committee rooms in Parliament House. The equipment will allow greater participation of groups from around the country making submissions to select committees without the expense of travel for the committee or the group.

### *Purchasing and Stores*

During the year, the Parliamentary Service continued to use the contracts arranged by the Government Supply Brokerage. This system enabled the Purchasing and Stores Unit to provide an efficient and effective service meeting the needs of members and staff. The prompt delivery of quality goods and services during the year helped the Unit to achieve a customer satisfaction rating of 100% for this service.

Progress was made in drafting a comprehensive manual covering all aspects of purchasing, works and services. When completed, the manual will ensure that the Parliamentary Service meets the requirements of accountability in line with government purchasing policy.

### *Visitor and Reception Services*

The Visitor and Reception Services Branch covers: tour; education; reception and telephone; functions and protocol; and artworks and shop services.

Public and private tours were provided to 52,436 visitors during this year, 1,029 less than the previous year. Approximately 58% of these visitors were from overseas, which compares to around 53% the previous year. The Branch has had significant input into the planned new entrances required following the Security Measures Review. The visitor satisfaction rating for this area was 98.7%, which is an excellent result. Tour Guide training was a focus for the year, with more structured and formalised training being offered by both the Office of the Clerk and the Parliamentary Library and a more appropriate induction process for new guides. A focus on health and safety has resulted in guides being more comfortable with evacuation and emergency procedures as well as health and safety requirement obligations.

Education Services hosted 14,095 visitors during the year, which was only 64 fewer than last year, and an outstanding 100% visitor satisfaction rating was achieved. Representation at the Australasian Parliamentary Educators' Conference allowed useful networking with other educators working in the parliamentary field and the opportunity to view and discuss resource

packages used in other parliaments. The conference included visits to an Australian Electoral Commission education centre that proved valuable. Regular network meetings now take place with the New Zealand Electoral Commission and the Office of the Clerk to discuss opportunities for delivery of joint services. A role-play programme was developed during this year, and a trial completed involving a local school.

The recruitment of an Education Officer directly from a classroom-teaching environment has been a positive step for the unit, as it has allowed programmes and visits to be more appropriately targeted to the teaching taking place. A noticeable increase in both student numbers and, to a lesser extent, student groups have occurred since March 2004.

Reception Services processed fewer calls than last year, however still achieved their expected target of approximately 21,000 calls per month. Abandoned call rates, average service times and waiting times were at a very acceptable level, and complaint levels well within the Branch's performance target. The regime of two-weekly rotations between entry posts and the telephone exchange remains a successful system, providing variety for Receptionists and flexibility in managing resources and ensuring that skill levels are maintained across stations. The implementation of software to integrate the two PBX systems will enhance the unit's ability to standardise the information in the telephone database and keep it up to date.

The Functions and Protocol unit managed a significant increase in functions compared with last year: 530 compared to 458 during 2002/2003. A unit services overview presentation has been developed, which can be modified to serve as both an induction tool within the Branch and for other internal staff. The presentation covers the services offered to members of Parliament to assist with function facilitation, information to new staff about visits to Parliament by VIPs/dignitaries and general protocol matters. Protocol enquiries increased in number during the latter part of the year and the level and nature of these will be monitored in the coming year. An increased level of support has also been provided to the Spouses' Association, particularly in an advisory capacity on dealing with media enquiries. This unit continues to provide a useful intranet site.

Assisting with the coordination of events to celebrate the 150th anniversary of the first sitting of Parliament in New Zealand has resulted in successful events and commemorations of this anniversary, including a portrait gallery exhibition and photographic competition, a series of lunchtime talks, a published history of 150 years of Parliament, commemorative memorabilia and most importantly the commemorations in Auckland and Wellington on the actual anniversary day of 24 May. Four private artwork tours took place during the year, and an artwork tour for staff will be developed for next year. Eight new artworks were acquired, and five special displays were set up in the visitor centre, with other displays around the parliamentary complex featuring historical objects and furniture.

Shop sales were significantly higher than last year, largely due to the sale of 150th year related special products, in particular the published history book. The shop continues to provide new product lines, including a range designed specifically for members. Special products targeted to schools are being trialled for inclusion in the range of stock next year should trials prove successful.

### *Security, Safety and Emergency Services*

In another busy year, the Branch has had to respond to an increasing number of functions, visiting dignitaries and overseas delegations. It has also been necessary to respond, in particular, to an increase in both security incidents and the amount of suspicious mail being received at Parliament.

Very good progress was achieved with a number of important projects, which were identified as a result of the *Review of Security Measures Review at Parliament*, conducted in 2002. Following the appointment of a Project Development Officer within the Branch to co-ordinate and progress the respective projects, the following achievements were made:

- The funding for three new walk-through metal detectors and six hand-held scanning devices, plus an additional baggage x-ray scanner for future placement within the parliamentary complex.
- Completion of a detailed report on the condition and performance of the existing CCTV security camera system located throughout the parliamentary complex.
- Processes were put in place to manage the upgrade of the main parliamentary security control room and the re-commissioning of the Bowen House security control room as a back up and staff training facility, due for completion in December 2004.

The Branch was also involved in the consultation process associated with having the necessary security requirements included into the development of the new Executive Wing entrance way and new service delivery facility at the rear of the building, as part of Stage 2 of the Executive Wing Refurbishment Project.

In mid-June 2004 the Branch celebrated its 25th Anniversary. The occasion was marked by a social function with current and past staff members attending.

The yearly customer satisfaction survey rating result was a disappointing 71.7%. The results from the survey indicated that there was a perceived lack of consistency in the service provided in relation to staff appearance, knowledge and helpfulness.

Considerable emphasis will be given to the training needs of staff, and to that end, a Training Supervisor position will be established. Operational staff have continued with their participation in the NZQA National Certificate in Security Level 2. Supervisory staff underwent training in the use of x-ray metal detection, including a 'train the trainer' course to provide ongoing training to all operational staff. In addition, to ensure the Branch is prepared to undertake responsibility in first aid response, staff continue to renew their industrial first aid qualifications and some have undertaken refresher training in the use of the AED defibrillators.

The Branch continues to work collaboratively with various internal and external agencies to ensure their functions, contractor work and parking needs are met whilst maintaining the appropriate level of security.

The Security Measures Review consultation with unions on rosters, staffing, control room and training issues was completed and is now subject to a bargaining process planned to begin early in the 2004/2005 financial year.

### *Messenger and Support Services*

The Distribution and Support and Chamber and Gallery teams have, throughout the year, continued to provide a consistent, high quality and timely service to all their customers. This was evidenced in an overall customer satisfaction rating of 89.7%. Both teams have regular staff meetings and active on-the-job training programmes are in place to ensure the delivery of a quality service to customers.

The House had 89 sitting days to 30 June 2004. There were 70 hours of Urgency.

During the year the Distribution and Support staff processed 2,977,441 items of mail, an average of 11,364.2 items per working day.

There were a total of 7,919 on-demand tasks, completed at an average of 7.22 minutes per task.

## **Policy Advice**

90 papers were prepared for the Speaker and the Parliamentary Service Commission to the standards set in the 2003/2004 *Output Agreement*.

## **Personnel and Accounting Services to Members and Other Agencies**

### *Human Resources*

The 2003/2004 year has been a year of consolidation for human resource services.

86 new staff attended the bi-monthly induction seminar, which covers organisation-wide policies such as equal employment opportunities, health and safety, and harassment and discrimination. Organisation-wide training focused on recruitment, induction and performance management. Three selection and recruitment training sessions and one performance management session were run. 24 people were trained in recruitment and selection procedures and five people were trained on managing the Performance Achievement system with staff.

In addition to the on-going provision of a wide range of advice, support and guidance to management and staff during the year regarding human resource issues, the Service has introduced the services of a training broker for core, political office and out-of-Parliament staff, which provide access to training and development solutions to support learning and development objectives. Activity trends from the first year of this service show most value has come from the analysis of needs, consulting and advice on approaches to learning practice and sourcing qualified development options.

The Service also introduced *Human Resources Online* during the year. This intranet site provides up-to-date information for staff in eight broad areas of:

- Starting at the Parliamentary Service
- Recruitment
- Health and Safety
- Performance and Training
- Pay and Employment Conditions
- Employee Advice
- Policies, Procedures and Guidelines
- Leaving the Parliamentary Service

There is also a 'What's New' section covering latest news and information from the Human Resources area.

### *Maori Cultural Services*

This has been a year of planning programmes and resources to raise awareness of Maori workplace issues in the parliamentary complex. Considerable work has been done to provide support to enhance the

operation of Tuhonohono, the Maori network comprising staff working in the parliamentary complex. Tuhonohono has begun regular contact with other Maori networks within the public service. As well, a tikanga training programme for members was developed with the first intake scheduled early in the 2004/2005 financial year.

### *Health, Welfare and Safety*

The Health and Safety in Employment Act (HSE Act) amendment took effect from 5 May 2003. Subsequently, 24 training and information seminars were provided to managers and staff to ensure they were aware of the legislative changes and their personal responsibilities.

To reflect the changes to the HSE Act regarding employee participation, the unions and the Parliamentary Service reached an agreement on a procedure to elect health and safety representatives. The fifteen branch and office representatives have formed a committee and have met six times in the last year. Senior management has adopted most of the committee's recommendations to improve the safety practices within the complex.

A new system for inducting and registering contractors was developed along with a contractors' induction booklet. This process was designed to ensure the Parliamentary Service meets its responsibility as a principal under the HSE Act.

An electronic reporting system was introduced to report and record hazards and accidents within the Service.

A health and safety work practices audit conducted in March indicates the Parliamentary Service is fully prepared for the ACC Workplace Safety Management Practices audit planned for early August 2004.

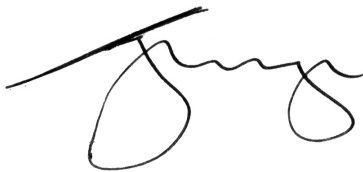
A new staff health and safety booklet and an occupational overuse booklet has been published and distributed to new staff on their commencement.

Over 740 workstations have been assessed to prevent occupational overuse, 133 vision tests were performed and 527 stress related issues were actioned during the year. The number of occupational overuse claims for treatment and time off work numbered five during 2003/2004, down from ten in 2002/2003. Staff are becoming more proactive in reporting the early onset of occupational overuse symptoms thereby enabling the Parliamentary Service to act quickly and prevent the escalation of symptoms.

The number of ACC claims for all types of injuries was 22 for the year, down from 39 over 2002/2003.

### *Finance Branch*

The major focus for the Branch during 2003/2004 was the review of services to members resulting from the Remuneration Authority (Members of Parliament) Amendment Act 2002 and the subsequent production of the Speaker's Determination on *Parliamentary Travel, Accommodation Attendance and Communications Services Determination 2003*. This task involved large amounts of time while at the same time maintaining the normal processing and reporting requirements of the Branch.

A handwritten signature in black ink, appearing to read 'Joel George', with a long horizontal line above the first part of the signature.

Joel George  
General Manager

## Other Information

### *Legislative and statutory responsibilities*

The Parliamentary Service is established under the *Parliamentary Service Act 2000* and the Service administers the Act. The Parliamentary Service also administers the *Parliamentary travel, accommodation, attendance, and communications services determination 2003*. The Service is the agent for the payment of parliamentary salaries and allowances under determinations issued from time to time by the Remuneration Authority. For matters relating to staffing it is subject to Parts V, VI and VIII of the *State Sector Act 1988* and its amendments, as well as the relevant general legislation.

### *Equal Employment Opportunities (EEO) programme*

The Service continues to work toward EEO targets and the objectives of the *EEO Policy to 2010* document. *EEO Policy to 2010* is the central policy for all public service agencies and the Parliamentary Service strongly supports the implementation of EEO in its activities. The Parliamentary Service produces a yearly *EEO Plan* and ensures that its individual branch plans include EEO objectives as part of each branches' deliverable outputs.

As at 1 July 2004, the Parliamentary Service had the following breakdown of the EEO groups taken from a total of 596 current staff members:

<i>Target Group</i>	<i>(%) 1 July 2003</i>	<i>(%) 1 July 2004</i>
Women	67.0	66.6
Maori	2.9	2.2
Pacific Island	1.4	1.2
Asian	1.0	1.2
Disability	5.0	4.5

### *Management of the Parliamentary Service*

#### Staff numbers

There were 518.6 full-time equivalent staff members employed in the Service as at 30 June 2004 compared to 513.5 at the same time last year. The Personnel and Payroll Branch made a total of 25,021 salary or wage payments during the year.

#### Employment conditions

No collective employment agreements expired during the year, but two expired on 30 June 2004 and will be renegotiated in the 2004/2005 financial year.

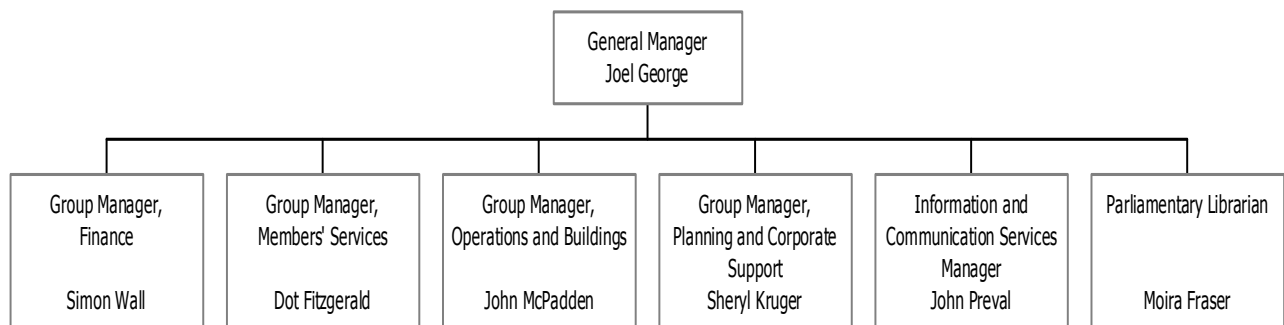
## *Information about the Parliamentary Service*

### Governance structure

Under Section 82 (1) of the *Public Finance Act 1989*, the Parliamentary Service is deemed to be a department for the purposes of that Act, and the Responsible Vote Minister for Vote: Parliamentary Service is the Speaker. Although the Speaker is also Chair of the Parliamentary Service Commission, that Commission has no funding appropriated for its use. The General Manager of the Parliamentary Service is directly accountable to the Speaker for the application of funds appropriated for the Service's six output classes. A further 11 appropriations within the Vote are for Crown Other Expenses, over which the General Manager exercises a stewardship function.

Section 8 of the *Parliamentary Service Act 2000* allows that the services to be provided by the Parliamentary Service shall be provided in accordance with the Speaker's directions. In giving such directions the Speaker must take into account any relevant advice and any relevant recommendations given or made by the Parliamentary Service Commission.

As at 30 June 2004 the senior management of the Parliamentary Service was:

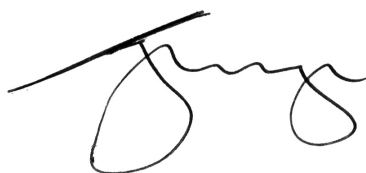


## **Statement of Responsibility for the Financial Statements of the Parliamentary Service**

In terms of Sections 35 and 37 of the *Public Finance Act 1989*, I am responsible, as General Manager of the Parliamentary Service, for the preparation of the Department's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements clearly reflect the financial position and operations of the Department for the year ended 30 June 2004.



Joel George  
General Manager

28 September 2004



Simon Wall  
Group Manager, Finance

28 September 2004



**AUDIT REPORT**  
**TO THE READERS OF**  
**THE PARLIAMENTARY SERVICE'S**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

The Auditor-General is the auditor of Parliamentary Service. The Auditor-General has appointed me, H C Lim, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Parliamentary Service, on his behalf, for the year ended 30 June 2004.

**Unqualified opinion**

In our opinion the financial statements of the Parliamentary Service on pages 26 to 64:

- ▲ comply with generally accepted accounting practice in New Zealand;  
and
- ▲ fairly reflect:
  - the Parliamentary Service's financial position as at 30 June 2004;
  - the results of its operations and cash flows for the year ended on that date;
  - its service performance achievements measured against the performance targets adopted for the year ended on that date;  
*and*
  - the assets, liabilities, revenues, expenses, contingencies and commitments managed by the Parliamentary Service on behalf of the Crown for the year ended 30 June 2004.

The audit was completed on 28 September 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the General Manager and the Auditor, and explain our independence.

## **Basis of opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- ▲ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▲ verifying samples of transactions and account balances;
- ▲ performing analyses to identify anomalies in the reported data;
- ▲ reviewing significant estimates and judgements made by the General Manager;
- ▲ confirming year-end balances;
- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

## **Responsibilities of the General Manager and the Auditor**

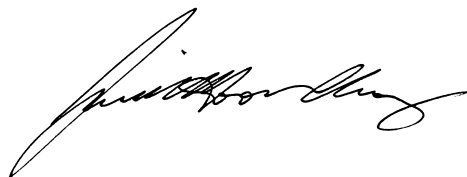
The General Manager is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Parliamentary Service as at 30 June 2004. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. In addition, they must fairly reflect the assets, liabilities, revenues, expenses, contingencies and commitments managed by the Parliamentary Service on behalf of the Crown for the year ended 30 June 2004. The General Manager's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989.

## **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Parliamentary Service.



H C Lim  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## Vote: Parliamentary Service

### Statement of Objectives and of Service Performance for the Year Ended 30 June 2004

The Parliamentary Service agreed to provide output classes in 2003/2004 that met the requirements of the Speaker in terms of their nature, timeliness, quality and quantity specifications, and cost.

#### Services to Members

##### *Description*

This output class involved the provision to members of executive secretarial services in Parliament Buildings and staffing for members' out-of-Parliament offices; including office management and other support services. It also involved the provision of travel services to current members, their spouses and dependents, as well as to former members and their spouses.

<b>Performance measure set</b>	<b>Performance</b>
Resources as agreed between the Parliamentary Service and the Presiding Offices are available to the Speaker and Deputy Speaker.	Certified as achieved by the Speaker and Deputy Speaker.
The Speaker/Chair of the Parliamentary Service Commission and the Deputy Speaker are satisfied with the service provided by their offices and are able to function effectively, in that: <ul style="list-style-type: none"> <li>• funding is effectively used and controlled;</li> <li>• staff management practices conform to policy guidelines for these areas.</li> </ul>	Certified as achieved by the Speaker and Deputy Speaker.
Services are delivered promptly and in accordance with priorities determined by the relevant office holder.	Certified as achieved by the Speaker and Deputy Speaker.
Full-time executive secretaries are provided to all members (excluding the Speaker and Ministers).	Certified as achieved by party whips.
No full-time executive secretarial position is left unfilled for more than six weeks unless agreed to by the member.	Achieved
Support staff is provided in out-of-Parliament offices to each of the 120 members.	Certified as achieved by party whips.
Staff appointments to positions in members' out-of-Parliament offices are actioned by Members' Services within two working days of receipt of nomination from the member for all appointments.	Achieved

<b>Performance measure set</b>	<b>Performance</b>
All members' out-of-Parliament offices are provided financial, personnel and general advice and information for such offices: at least 12 newsletters per year on matters relevant to out-of-Parliament offices are issued.	Achieved: 12 newsletters were issued to out-of-Parliament offices.
At least 75% of users of the out-of-Parliament support services are satisfied with the services given. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: 88.0% of users were satisfied with the services offered (overall satisfaction rating is made up from 70% Members' Services survey, 20% Accounts out-of-Parliament survey and 10% Payroll out-of-Parliament survey).
No more than 0.5% sustained complaints as per complaints log.	There were no sustained complaints for the year.
Newsletters are issued at no more than six-weekly intervals.	Achieved: reports were sent out at four to five week intervals.
All members' and ex-members' travel arrangements are dealt with in accordance with their entitlements as set out in the <i>Members' Handbook of Services</i> .	Achieved
At least 90% of users of the Travel Office are satisfied with the services provided. (See page 37 of this report for an explanation of the satisfaction rating method used.)	Achieved: 100.0% of users indicated satisfaction with the services provided.
No more than 10 sustained complaints per year.	There were two sustained complaints for the year.

Financial Performance (Figures are GST exclusive)

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
13,580	Revenue Crown	14,566	14,580	14,566
426	Revenue Other	410	450	517
14,006	Total Revenue	14,976	15,030	15,083
13,582	Total Expenditure	14,629	15,030	15,083
424	Net Surplus	347	-	-

## Parliamentary Information Services

### Description

This output class involved the provision of library and electronic information services throughout the Parliamentary Library; the provision of computing facilities at Parliament; and computing and telecommunications advisory services associated with these.

<b>Performance measure set</b>	<b>Performance</b>
All enquiries are responded to by the Library Research and Analysis Service.	The Library Research and Analysis Service responded to 12,074 enquiries.
Users of the Information Research Service give it at least a 90% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: users gave the service a 90.0% satisfaction rating.
Fewer than five sustainable complaints, including failure to meet deadlines, are received.	Achieved: no complaints were received during the year.
Deadlines as agreed with reference users are met.	Achieved
Analytical summaries are issued for every in-scope Bill*	Achieved
85% of Bills Digests for introduced Bills are issued before the first reading of the Bill and 85% of Bills Digests for reported back Bills are issued within three sitting days of the presentation of the select committee report.	Achieved
Users of Bills Digests, research papers, portals, desktop resources and subject bulletins give them at least a 90% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Not achieved. The satisfaction rating was 82.2%.
All enquiries for New Zealand clients, including information research libraries, are responded to.	Achieved: 2431 requests were responded to.
Turnaround time for 90% of interloan requests is two working days.	Achieved: 100% of requests were actioned within two days.
Information requests to the International Documents Service will be answered within the deadline agreed with the client.	Achieved: 635 requests were answered within the agreed deadlines.
A standard level of computing and telecommunications functionality is provided to each office at Parliament, in accordance with the <i>Information Services' Strategic Plan of the Parliamentary Service</i> .	Achieved
Users of the computing service give it at least a 65% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: users gave the service a satisfaction rating of 71.8%
Priorities set out in the <i>Information Services' Strategic Plan of the Parliamentary Service</i> are adhered to.	Achieved

\* Outside scope: money Bills, Bills passed under Urgency, local and private Bills lacking policy significance.

Financial Performance (Figures are GST exclusive)

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
4,857	Revenue Crown	5,052	5,007	5,052
174	Revenue Other	178	163	175
5,031	Total Revenue	5,230	5,170	5,227
4,871	Total Expenditure	5,227	5,170	5,227
160	Net Surplus	3	-	-

## Catering Services

### Description

This output class involves the provision of meals, refreshments and other catering services to members, guests and staff through Bellamy's.

<i><b>Performance measure set</b></i>	<i><b>Performance</b></i>
Catering services are provided to members and staff of the parliamentary complex (approximately 1,100 people) by way of cafeteria, dining, self-service and functions facilities as determined from time to time by the Speaker and the House Committee.	Certified as achieved by the Chair of the House Committee.
Food and service standards meet those set in the relevant catering contract.	Certified as achieved by the Chair of the House Committee.
Catering service requests are met according to the terms and conditions of the catering contract.	Certified as achieved by the Chair of the House Committee.
All contracts for catering services meet the criteria specified and are managed in a way that contributes to Parliamentary Service outcomes.	Certified as achieved by the Chair of the House Committee.
Management of the catering services contract complies with House Committee directions and meets professional administrative standards as certified by the Chair of the House Committee.	Certified as achieved by the Chair of the House Committee.
Deadlines specified by the House Committee will be met.	Certified as achieved by the Chair of the House Committee.

### Financial Performance (Figures are GST exclusive)

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
784	Revenue Crown	784	784	784
-	Revenue Other	-	-	-
784	Total Revenue	784	784	784
771	Total Expenditure	764	784	784
13	Net Surplus	20	-	-

## Building and Operations Management

### Description

This output class involved the provision of purchasing, building maintenance and operational services for all buildings in the parliamentary complex, including the provision of security, messenger, cleaning, reception and visitor services. It also involved the management of a property portfolio to provide for future accommodation needs for members of Parliament and their staff.

<b><i>Performance measure set</i></b>	<b><i>Performance</i></b>
Essential building maintenance services to members and staff are maintained 24 hours of the day.	Achieved
Users of the buildings maintenance services give them at least an 80% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: users gave the service a satisfaction rating of 90.0%.
Users of the Security service give it at least a 75% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Not achieved: users gave the service a satisfaction rating of 71.7%.
At least 90% of service requests are responded to immediately and completed within 24 hours, or otherwise in accordance with priorities negotiated with users.	Achieved: spot checks covering 15% of requests indicated that timeliness standards were being met in 90% of requests.
A forecasted 70,000 visitors are given a general interest or an educational guided tour and related services during defined opening hours, seven days a week.	66,531 visitors were given either a general interest or educational guided tour.
Users of the visitor service give it at least an 85% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: visitors gave the service a satisfaction rating of 98.7%.
Users of the education service give it at least an 85% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: users gave the service a satisfaction rating of 100.0%.
Inquiries concerning access to the buildings for public, educational and pre-booked tours are responded to within one working day at most.	Achieved
Messenger services to members and staff are maintained throughout defined working hours.	Achieved
Users of the messenger service give it at least a 75% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Achieved: users gave the service a satisfaction rating of 89.7%.
Messengers assist at all sittings of the House and all ceremonial occasions (estimated annually at approximately 99 sittings of the House and 300 ceremonial occasions).	Achieved: messengers assisted at 89 sittings and 333 ceremonial occasions.
The Chamber and Galleries of the House of Representatives, and ceremonial occasions, will be serviced to a quality and level satisfactory to the Speaker, as certified by him.	Certified as achieved by the Speaker.
Standards of punctuality and promptness will be met.	Certified as achieved by the Speaker.

<b>Performance measure set</b>	<b>Performance</b>
All incoming and outgoing mail and goods are processed and distributed (forecast to be 2,500,000 items annually).	Achieved: 2,977,441 items were processed and distributed.
In addition to the timeliness criteria specified on page 37 of this report, no more than 20 justified complaints of inaccurate delivery of internal and incoming mail occur.	Achieved: there were four justified complaints concerning the delivery of mail.
<i>Timeliness Criteria for Mail Distribution</i> measures are met. (See page 37 of this report for details of these measures.)	Achieved
Distribution services to members and staff are maintained throughout defined working hours.	Achieved
All incoming mail and goods are processed and delivered within 24 hours of receipt.	Achieved

Financial Performance (Figures are GST exclusive)

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
14,638	Revenue Crown	16,466	16,135	16,466
162	Revenue Other	192	159	177
14,800	Total Revenue	16,658	16,294	16,643
14,680	Total Expenditure	16,064	16,294	16,643
120	Net Surplus	594	-	-

## Policy Advice

### Description

This output class involved the provision of information, analysis and advice to the Speaker, as the Responsible Vote Minister and as Chair of the Parliamentary Service Commission, on issues relating to the interests of the Speaker and of the Commission, including servicing its committees, services to members, the administration of the Parliamentary Service, and the development of the buildings that comprise the parliamentary complex.

<b><i>Performance measure set</i></b>	<b><i>Performance</i></b>
All necessary papers are prepared to support the Speaker and Chair of the Parliamentary Service Commission, its committees or its individual members.	90 papers were prepared.
All policy advice and reports prepared conform with quality criteria for: <ul style="list-style-type: none"> <li>• coverage of service</li> <li>• purpose</li> <li>• logic</li> <li>• accuracy</li> <li>• options</li> <li>• consultation</li> <li>• practicality</li> <li>• presentation</li> </ul>	Certified as achieved by the Speaker.
Papers to the Parliamentary Service Commission are provided at least two days before scheduled Commission meetings.*	Achieved

### Financial Performance (Figures are GST exclusive)

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
			<b>\$000</b>	<b>\$000</b>
323	Revenue Crown	312	235	312
-	Revenue Other	-	-	-
323	Total Revenue	312	235	312
268	Total Expenditure	265	235	312
55	Net Surplus	47	-	-

\* Except in the case of urgent papers or otherwise at the Chair's discretion.

## Personnel and Accounting Services to Members and Other Agencies

### Description

This output class involved the provision of services to members in processing and paying their accounts and bureau accounting and personnel services to other parliamentary offices.

<b>Performance measure set</b>	<b>Performance</b>
All members' claims for allowances and reimbursements are processed each month.	Achieved
All members' claims for allowances and reimbursements are met promptly and accurately within the rules set out by the Remuneration Authority and/or the Speaker.*	Achieved
Claims received within seven working days of the end of the month are processed by the 15th of each month.	Achieved
All payroll adjustments advised by appropriate authorities per pay are processed.	Achieved
Payroll changes are processed with an accuracy rate of at least 99.5%.	Achieved: final accuracy rate was 99.86%.
Users of the payroll service give it at least a 75% satisfaction rating. (See page 36 of this report for an explanation of the satisfaction rating method used.)	Users gave the service a satisfaction rating of 85.7%.
The Parliamentary Counsel Office and the Office of the Clerk are satisfied with the accounting and payroll services provided.	Certified by each office as being satisfied with services provided.
At least 99.5% of all accurately completed and approved payroll changes received no less than three working days before the next payday will be processed in time for the current pay.	Achieved: 99.9% of changes were processed to the timeliness criteria.
A forecasted 20,000 accounts transactions are processed on behalf of members and other agencies.	30,750 transactions were processed for the year.
There are less than 20 sustained complaints on accounts transactions.	Achieved: there were 11 sustained complaints on accounts transactions.
Accounts transactions are processed within five working days of being received.	Achieved

\* The *Parliamentary Travel, Accommodation, Attendance and Communications Services Determination 2003*, issued by the Speaker, came into force on 1 November 2003, replacing previous rules.

Financial Performance (Figures are GST exclusive)

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
			<b>\$000</b>	<b>\$000</b>
619	Revenue Crown	634	619	634
27	Revenue Other	35	27	49
646	Total Revenue	669	646	683
586	Total Expenditure	590	646	683
60	Net Surplus	79	-	-

## Satisfaction Ratings in Quality Criteria

Those services that use a percentage rating of satisfaction with the service, given as a quality criterion in the Statement of Service Performance, will use the following methods for deriving that percentage:

### *Service surveyed annually*

Buildings Maintenance  
Computer Services  
Desktop Resources  
Education Services  
Information Research Service  
Messenger and Support Services  
Out-of-Parliament Support Services  
Payroll Service  
Security, Safety and Emergency Services  
Visitor Services

### *Method used*

Results of a randomly selected sample of users of the service are evaluated against three or more key dimensions of service quality, namely:

- Reliability — the ability to perform the promised service dependably and accurately;
- Responsiveness — willingness to help clients and provide a prompt service;
- Assurance — the knowledge and courtesy of staff and their ability to convey trust and confidence;
- Empathy — the ability to give caring, individualised attention to clients;
- Tangibles — the appearance of the physical facilities, equipment, staff and communication materials.

Representative surveys of users: Surveys were randomly selected samples of all major users of the particular service, including external agencies and members of the public as well as members and staff of the parliamentary complex.

The Out-of-Parliament Support Services rating was calculated using these elements and associated weightings: Members' Services, 70%; Accounts Service, 20%; Payroll Service, 10%.

The system applies the research and methodology published in *Delivering quality service: balancing customer perceptions and expectations*, by Valarie Zeithaml, A Parasuraman and Leonard L Berry, New York: Free Press, 1990, as well as later research by these authors.

Statistical validity: The samples were sufficient in accuracy to generate findings that are expressed to a stated degree of confidence in their accuracy (in most cases, a 95% probability that the results will have a precision of  $\pm 15\%$ ).

The satisfaction rating quoted in the quality measures is a weighted average calculated by applying the scores in each question area to the clients' overall rating of the importance of each dimension. Each survey showed an overall result of at least a percentage specified.

The Travel Office used a method different from SERVQUAL to evaluate the quality of its performance: surveys of a random sample of users were carried out every six months and evaluated factors such as accuracy, travel product knowledge and timeliness of the service. Respondents' scores for each question were rated on a scale of 1-5 where 1-3 indicates satisfaction and over 3 indicates dissatisfaction.

### **Timeliness Criteria for Mail Distribution**

Deliveries and pick-ups are made immediately in urgent cases and every 45 minutes for routine dispatches, or otherwise as specified by the client.

External fax messages and courier parcels will be sent to their correct destination immediately on receipt.

Members' Bill Boxes will be cleared at 11.00am and 3.00pm daily and contents delivered to all members' offices by 11.45am and 3.45pm.

Hansard Boxes will be cleared by 9.00am and 2.00pm daily on sitting and non-sitting days and contents will be delivered to the Hansard Office. Hansard copies will be distributed to members according to the schedule produced by the Hansard Office when the House is in session.

All travel tickets will be delivered to Ministers' and members' offices within 30 minutes of receiving them from the Travel Office at 11.00am and 2.00pm daily.

## **Parliamentary Service Statement of Accounting Policies for the Year Ended 30 June 2004**

### *Reporting Entity*

Parliamentary Service (the "Service") is a Government Department as defined by section 82 of the Public Finance Act 1989.

These are the financial statements of the Parliamentary Service prepared pursuant to section 35 of the Public Finance Act 1989.

### *Measurement System*

These financial statements have been prepared on the basis of historical cost.

### *Accounting Policies*

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

### *Budget Figures*

The budget figures are those presented in the Budget Night Estimates (Main Estimates) as amended by the Supplementary Estimates.

### *Revenue*

The Service derives revenue through the provision of outputs to the Crown, and for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

### *Cost Allocation*

The Service has derived the costs of outputs using a cost allocation system outlined below.

### *Cost Allocation Policy*

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activities/usage information.

## Criteria for Direct and Indirect Costs

"Direct Costs" are those costs directly attributed to an output.

"Indirect Costs" are those costs that cannot be identified in an economically feasible manner, with a specific output.

## Direct Costs Assigned to Outputs

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged by actual time incurred.

For the year ended 30 June 2004, direct costs accounted for 96% of the Service's costs (2003: 96%).

## Basis for Assigning Indirect and Corporate Costs to Outputs

Indirect costs are assigned to outputs based on a proportion of direct staff costs used for each output.

For the year ended 30 June 2004, indirect costs accounted for 4% of the Service's costs (2003: 4%).

## *Receivables*

Receivables are recorded at estimated realisable value, after providing for doubtful debts.

## *Operating Leases*

The Service leases premises. As the lessor retains all the risks and ownership, these leases are classified as operating leases. Operating leases costs are expensed in the period in which they are incurred.

## *Fixed Assets*

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset in any directly attributable costs of bringing the asset to working condition for its intended use.

All fixed assets costing more than \$1,000 are capitalised and recorded at historical cost.

### *Depreciation*

Depreciation of fixed assets is provided on a straight line basis so as to allocate the cost of assets, less any estimated residual value, over their useful lives.

The estimated economic useful lives and associated depreciation rates of major classes of assets have been:

Furniture	5 years	20%
Plant and equipment	5 years	20%
Office equipment	5 years	20%
Computer systems	3 years	33%
Motor vehicles	5 years	20%
Leasehold property improvements	6-12 years	8.3% — 16.7%
Telecommunications equipment	3-7 years	14.3% — 33.3%

The cost of leasehold improvements is capitalised and amortised over the unexpired period of the lease with the estimated remaining useful lives of the improvements, whichever is shorter.

### *Provision for Employee Entitlements*

Provision is made in respect of the Service's liability for annual, long service and retirement leave. Annual leave has been calculated on an actual basis at current rates of pay. Long service and retirement leave have been calculated on an actuarial basis based on the present value of expected future entitlements.

### *Foreign Currency*

Foreign currency transactions are converted at the New Zealand dollar exchange rate at the date of the transaction. When a forward exchange contract has been used to establish the price of a transaction, the forward rate specified in that foreign exchange contract is used to convert their transaction to New Zealand dollars. Consequently no exchange gain or loss resulting from the difference between the forward exchange contract rate and the spot exchange rate on date of settlement is recognised.

### *Financial Instruments*

Revenue and expenses in relation to all financial instruments are recognised in their Statement of Financial Performance. Where the Service enters into foreign currency forward contracts to hedge for in currency transactions, any

exposure to gains or losses on these contracts is generally offset by a related loss or gain on the item being hedged.

Apart from foreign currency forward contracts, all financial instruments are recognised in the Statement of Financial Position.

### *Goods and Services Tax (GST)*

The Statement of Unappropriated Expenditure and the Statements of Departmental Expenditure and Appropriations are inclusive of GST, except for Creditors and Payables and Debtors and Receivables, which are GST inclusive. All other statements are GST exclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables or Debtors and Receivables (as appropriate).

### *Taxation*

Government Departments are exempt from the payment of income tax in terms of the Income Tax Act 1976. Accordingly, no charge for income tax has been provided for.

### *Commitments*

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

### *Contingent Liabilities*

Contingent liabilities are disclosed at the point at which the contingency is evident.

### *Taxpayers' Funds*

This is the Crown's net investment in the Service.

### *Changes in Accounting Policies*

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with the previous year.

<p><b>Parliamentary Service</b> <b>Statement of Financial Performance</b> <b>for the Year Ended 30 June 2004</b></p>
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<b>30/06/03</b>			<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Note</b>	<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>			<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
				<b>\$000</b>	<b>\$000</b>
	<b>Revenue</b>				
34,801	Crown		37,814	37,360	37,814
803	Other	1	815	799	918
<u>35,604</u>	<b>Total Revenue</b>		<u>38,629</u>	<u>38,159</u>	<u>38,732</u>
	<b>Expenses</b>				
19,811	Personnel	2	21,506	23,390	22,981
12,754	Operating	3	13,707	12,185	13,206
1,558	Depreciation	4	1,691	1,949	1,910
635	Capital Charge	5	635	635	635
<u>34,758</u>	<b>Total Expenses</b>		<u>37,539</u>	<u>38,159</u>	<u>38,732</u>
<u>846</u>	<b>Net Surplus</b>		<u>1,090</u>	<u>-</u>	<u>-</u>

For information on major variances against budget refer to Note 13.

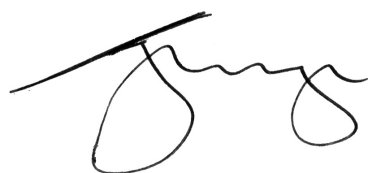
<p><b>Parliamentary Service</b>  <b>Statement of Movements in Taxpayers' Funds</b>  <b>for the Year Ended 30 June 2004</b></p>
--

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
<b>\$000</b>		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
7,474	<b>Taxpayers' funds brought forward as at 1 July</b>	7,474	7,474	7,474
846	Net surplus	1,090	-	-
846	<b>Total recognised revenue and expenses for the year</b>	1,090	-	-
(846)	Provision for repayment of Surplus to the Crown	(1,090)	-	-
7,474	<b>Taxpayers' funds as at 30 June</b>	7,474	7,474	7,474

**Parliamentary Service  
Statement of Financial Position  
as at 30 June 2004**

30/06/03			30/06/04	30/06/04	30/06/04
Actual		Note	Actual	Main	Supp.
\$000			\$000	Estimates	Estimates
				\$000	\$000
	<b>Taxpayers' Funds</b>				
7,474	Taxpayers' funds		7,474	7,474	7,474
<u>7,474</u>	<b>Total Taxpayers' funds</b>		<u>7,474</u>	<u>7,474</u>	<u>7,474</u>
	Represented by:				
	<b>Current Assets</b>				
2,354	Cash		2,993	1,082	2,441
7,591	Debtors and receivables	6	7,646	8,720	5,906
95	Inventories		125	75	90
<u>10,040</u>	<b>Total Current Assets</b>		<u>10,764</u>	<u>9,877</u>	<u>8,437</u>
	<b>Non-Current Assets</b>				
4,383	Fixed Assets	7	4,525	4,411	4,738
<u>4,383</u>	Total non-current assets		<u>4,525</u>	<u>4,411</u>	<u>4,738</u>
<u>14,423</u>	<b>Total Assets</b>		<u>15,289</u>	<u>14,288</u>	<u>13,175</u>
	<b>Current Liabilities</b>				
4,932	Creditors and Accruals	8	5,303	4,970	4,220
846	Provision for repayment of net surplus		1,090	-	-
832	Provision for employee entitlements	9	1,143	1,492	1,142
<u>6,610</u>	<b>Total Current Liabilities</b>		<u>7,536</u>	<u>6,462</u>	<u>5,362</u>
	<b>Non-Current Liabilities</b>				
339	Provision for employee entitlements	9	279	352	339
<u>6,949</u>	<b>Total Liabilities</b>		<u>7,815</u>	<u>6,814</u>	<u>5,701</u>
<u>7,474</u>	<b>Net Assets</b>		<u>7,474</u>	<u>7,474</u>	<u>7,474</u>

For information on major variances against budget refer to Note 13.



Joel George  
General Manager

28 September 2004



Simon Wall  
Group Manager, Finance

28 September 2004

## Parliamentary Service Statement of Cash Flows for the Year Ended 30 June 2004

30/06/03		30/06/04	30/06/04	30/06/04
Actual		Actual	Main	Supp.
\$000		\$000	Estimates	Estimates
			\$000	\$000
	<b>Cash flows from Operating Activities</b>			
	Cash provided from:			
	Supply of outputs			
33,975	- Crown	38,273	36,330	38,273
780	- to Other	799	799	940
34,755	Total	39,072	37,129	39,213
	Cash disbursed to:			
	Producing outputs:			
19,789	- Personnel	22,009	22,432	22,926
12,775	- Operating	12,566	12,631	12,454
115	- Net GST paid	(175)	-	-
635	- Capital charge	635	635	635
33,314	Total	35,035	35,698	36,015
1,441	<b>Operating activities net cash flows</b>	4,037	1,431	3,198
	<b>Cash flows from Investing activities</b>			
	Cash provided from:			
84	Sale of fixed assets	23	-	35
	Cash disbursed to:			
999	Purchase of fixed assets	2,575	1,600	2,300
(915)	<b>Investing activities net cash flows</b>	(2,552)	(1,600)	(2,265)
	<b>Cash flows from Financing activities</b>			
	Cash disbursed to:			
(718)	Payment of Surplus to Crown	(846)	-	(846)
(718)	<b>Financing activities net cash flows</b>	(846)	-	(846)
(192)	Net increase (decrease) in cash held	639	(169)	87
2,546	Add opening cash brought forward	2,354	1,251	2,354
2,354	<b>Closing cash</b>	2,993	1,082	2,441

For information on major variances against budget refer to Note 13.

**Parliamentary Service  
Reconciliation of Net Surplus  
to Net Cash Flows from Operating Activities  
for the Year Ended 30 June 2004**

30/06/03		30/06/04	30/06/04 Main Estimates	30/06/04 Supp. Estimates
Actual \$000		Actual \$000	\$000	\$000
846	<b>Net operating surplus</b>	1,090	-	-
	Add non-cash items			
1,558	Depreciation	1,691	1,949	1,910
-	Write off of fixed asset	719	-	-
(13)	Inc in non-current employee entitlements	(60)	-	-
<u>1,545</u>	<b>Total non-cash items</b>	<u>2,350</u>	<u>1,949</u>	<u>1,910</u>
	<b>Working capital movements</b>			
454	(Inc)/Dec in debtors and prepayments	(55)	(1,030)	1,685
(6)	(Inc)/Dec in inventory	(30)	-	5
(1,161)	(Inc)/Dec in creditors and payables	371	-	(712)
(236)	(Inc)/Dec in current employee entitlements	311	512	310
<u>(949)</u>	<b>Working capital movements - net</b>	<u>597</u>	<u>(518)</u>	<u>1,288</u>
	<b>Add/(less) investing activity items</b>			
(1)	(Gain)/Loss on sale of physical assets	-	-	-
<u>(1)</u>	<b>Total investing activity items</b>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,441</u>	<b>Net cash flows from operating activities</b>	<u>4,037</u>	<u>1,431</u>	<u>3,198</u>

**Parliamentary Service  
Statements of Commitments  
as at 30 June 2004**

The Service has long-term leases on its premises in Wellington. The annual lease payments are subject to three yearly reviews. The amount disclosed below as future commitments are based on the current rental rates.

Operating commitments include lease payments for premises and non-cancellable service contracts.

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
	<b>Operating commitments</b>	
7,066	Less than one year	5,450
5,592	One to two years	4,836
14,755	Two to five years	12,755
6,755	More than five years	2,091
<u>34,168</u>	<b>Total Operating Commitments</b>	<u>25,132</u>

**Parliamentary Service  
Statement of Contingent Liabilities  
as at 30 June 2004**

As at 30 June 2004 there were no contingent liabilities including legal proceedings, guarantees, and indemnities.

(2003: Nil)

**Parliamentary Service  
Statement of Unappropriated Departmental Expenditure  
for the Year Ended 30 June 2004**

There was no unappropriated departmental expenditure. (2003: Nil)

**Parliamentary Service  
 Statement of Departmental Expenditure and  
 Appropriations  
 for the Year Ended 30 June 2004**

(Figures are GST inclusive where applicable)

	<b>30/06/04 Expenditure Actual \$000</b>	<b>30/06/04 Appropriation Voted* \$000</b>
<b>Appropriations for classes of outputs</b>		
Services to Members	16,501	16,968
Parliamentary Information Services	5,880	5,880
Catering Services	862	882
Building and Operations Management	18,146	18,723
Policy Advice	303	351
Personnel and Accounting Services to Members and Other Agencies	675	769
<b>Total</b>	<b>42,367</b>	<b>43,573</b>

\* This includes adjustments made in the Supplementary Estimates.

<p><b>Notes to the Financial Statements of the Parliamentary Service for the Year Ended 30 June 2004</b></p>
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*Note 1: Revenue Other*

<b>30/06/03</b>	<b>30/06/04</b>	<b>30/06/04 Main</b>	<b>30/06/04 Supp.</b>
<b>Actual \$000</b>	<b>Actual \$000</b>	<b>Estimates \$000</b>	<b>Estimates \$000</b>
27 Finance services to Office of the Clerk	27	27	27
14 Profit on sale of fixed assets	1	-	-
174 Core network support	174	163	163
76 Parliament shop trading	96	73	73
46 Rental income	48	46	46
40 Messenger services to Parliamentary Counsel Office and Office of the Clerk	40	40	40
- State Services Retirement Saving	39	-	119
426 Recovery of depreciation	390	450	450
<b>803 Total Revenue Other</b>	<b>815</b>	<b>799</b>	<b>918</b>

*Note 2: Personnel Costs*

<b>30/06/03</b>	<b>30/06/04</b>	<b>30/06/04 Main</b>	<b>30/06/04 Supp.</b>
<b>Actual \$000</b>	<b>Actual \$000</b>	<b>Estimates \$000</b>	<b>Estimates \$000</b>
20,034 Salaries and wages	21,180	22,878	22,671
(223) Annual, retirement and long service leave	326	512	310
<b>19,811 Total Personnel Costs</b>	<b>21,506</b>	<b>23,390</b>	<b>22,981</b>

*Note 3: Operating Costs*

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
			<b>\$000</b>	<b>\$000</b>
375	Consultancy	268	266	266
13	Loss on sale / write off of fixed assets	719	-	-
52	Audit fees to auditors for audit of the financial statements	57	50	50
2,853	Operating lease rentals	3,055	3,056	3,056
1,477	Building and equipment maintenance	1,186	788	788
1,536	Premises costs	1,551	1,500	1,500
6,448	Other operating costs	6,871	6,525	7,546
<u>12,754</u>	<b>Total Operating Costs</b>	<u>13,707</u>	<u>12,185</u>	<u>13,206</u>

*Note 4: Depreciation Charges*

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
			<b>\$000</b>	<b>\$000</b>
743	Computer Systems	828	1,152	1,097
40	Furniture	85	166	166
386	Leasehold Property	388	356	356
21	Motor Vehicles	20	19	19
170	Office Equipment	157	61	64
40	Plant and Equipment	58	52	65
158	Telecommunications	155	143	143
<u>1,558</u>	<b>Total Depreciation Costs</b>	<u>1,691</u>	<u>1,949</u>	<u>1,910</u>

*Note 5: Capital Charge*

The Service has a capital charge to the Crown on its average taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2004 was 8.5 percent (2003, 8.5 percent).

*Note 6: Debtors and Receivables*

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
3,865	Debtor - Crown	3,406
3,688	Due from Offices of Parliament	4,080
38	Other Debtors	53
-	Prepayments	107
<u>7,591</u>	<b>Total debtors and receivables</b>	<u>7,646</u>

"Debtor Crown" reflects funds due to the Parliamentary Service that had not been drawn down from New Zealand Debt Management Office (NZDMO) as at balance date.

"Due from Offices of Parliament" incorporates payments made on behalf of: Parliamentary Service Crown activity, Parliamentary Counsel Office and Office of the Clerk.

The Parliamentary Service had not yet been reimbursed for these payments at balance date.

*Note 7: Fixed Assets*

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
	<b>Motor Vehicles</b>	
115	At cost	104
(34)	Accumulated depreciation	(25)
<u>81</u>	Motor Vehicles - net book value	<u>79</u>
	<b>Computer Systems</b>	
5,018	At cost	3,841
(3,989)	Accumulated depreciation	(2,207)
<u>1,029</u>	Computer Systems - net book value	<u>1,634</u>
	<b>Furniture</b>	
2,249	At cost	771
(2,111)	Accumulated depreciation	(171)
<u>138</u>	Furniture - net book value	<u>600</u>
	<b>Leasehold Property Improvements</b>	
11,130	At cost	2,220
(8,813)	Accumulated depreciation	(892)
<u>2,317</u>	Leasehold Property Improvements - net book value	<u>1,328</u>
	<b>Office Equipment</b>	
1,347	At cost	996
(922)	Accumulated depreciation	(648)
<u>425</u>	Office Equipment - net book value	<u>348</u>
	<b>Plant and Equipment</b>	
595	At cost	359
(395)	Accumulated depreciation	(109)
<u>200</u>	Plant and Equipment - net book value	<u>250</u>
	<b>Telecommunications Equipment</b>	
1,217	At cost	765
(1,024)	Accumulated depreciation	(479)
<u>193</u>	Telecommunications Equipment - net book value	<u>286</u>
	<b>Total Fixed Assets</b>	
21,671	At cost	9,056
(17,288)	Accumulated depreciation	(4,531)
<u>4,383</u>	<b>Total Assets - Carrying Value</b>	<u>4,525</u>

*Note 8: Creditors and Accruals*

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
3,622	Trade Creditors	4,364
1,321	Accrued Expenses	775
(11)	GST Payable	164
<u>4,932</u>	<b>Total creditors and accruals</b>	<u>5,303</u>

*Note 9: Provision for Employee Entitlements*

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
	<b>Current Liabilities</b>	
52	Retirement and Long Service Leave	57
780	Annual Leave	1,086
<u>832</u>	Total Current Portion	<u>1,143</u>
	<b>Non Current Liabilities</b>	
339	Retirement and Long Service Leave	279
<u>339</u>	Total Non Current Portion	<u>279</u>
<u>1,171</u>	<b>Total Provision for Employee Entitlements</b>	<u>1,422</u>

*Note 10: Contingencies*

The Service does not have any contingent assets as at 30 June 2004.  
(30 June 2003: Nil)

Contingent liabilities are separately disclosed in the Statement of Contingent Liabilities.

*Note 11: Financial Instruments*

The Service is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable, accounts payable and foreign currency forward contracts. The fair value of the Service's financial instruments is the same as the carrying value.

**Credit risk**

In the normal course of its business, the Service incurs credit risk from trade debtors, and transactions with financial institutions and the NZDMO.

The Service does not require any collateral or security to support financial instruments with financial institutions that it deals with, or with the NZDMO,

as these entities have high credit ratings. For its other financial instruments, the Service does not have significant concentrations of credit risk.

	<b>30/06/03</b>	<b>30/06/04</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Bank balances	2,354	2,993
Debtors	7,591	7,646

The Service is not exposed to any other concentrations of credit risk.

### Credit Facilities

The Service does not have bank overdraft facilities as at 30 June 2004. The Service has a letter of credit with Westpac Banking Corporation for \$10,000 for the purpose of staff cashing pay cheques.

### Currency Risk and Interest Rate Risk

The Service has no significant exposure to interest rate risk on its financial instruments.

The Service uses foreign exchange forward contracts to manage foreign exchange exposures.

There are no contracts as at balance date.

### *Note 12: Related Party Information*

The Service is a wholly-owned entity of the Crown. Parliament significantly influences the role of the Service as well as being the major source of revenue.

The Service enters into numerous transactions with other Government departments, Crown agencies and state-owned enterprises on an "arm's-length" basis. These transactions are not considered to be related party transactions.

Apart from those transactions described above, the Service has not entered into any related party transactions.

### *Note 13: Major Budget Variances*

#### Statement of Financial Performance

Personnel cost are \$1.8m under the original estimate. This was due to the funding obtained for additional security not being committed by the end of the year.

Operating expenditure was \$1.5m higher than the original estimate due to the write off of fit out assets in Bowen House.

#### Statement of Financial Position

Debtors and receivables are \$1.1m lower than the original estimate. This is due to a higher level inter-company (payments made on behalf of the Crown, Parliamentary Counsel Office, or Office of the Clerk) debt than anticipated at year end, offset by a lower debtor crown.

#### Statement of Cash Flows

Purchases of fixed assets were higher than anticipated due to the replacement of desktop computers and the purchase of video conferencing equipment.

## Financial Statements and Schedules: Non-Departmental

### For the year ended 30 June 2004 Expenditure and Appropriations

	<b>\$000</b>
Revenue and Receipts	567
Expenses	56,045
Assets	307,535
Liabilities	3,500

The following non-departmental statements and schedules record the expenses, revenue and receipts, and assets and liabilities that the Service manages on behalf of the Crown. Further details of the Department's management of these Crown assets and liabilities are provided in the Output Performance sections of this report.

These non-departmental balances are consolidated into the Crown Financial Statements and therefore readers of the statements and schedules should also refer to the Crown Financial Statements for 2003/2004.

## Statement of Accounting Policies

Measurement and recognition rules applied in the preparation of these non-departmental financial statements and schedules are consistent with generally accepted accounting practice and Crown accounting policies.

These non-departmental balances are consolidated into the Crown Financial Statements and therefore readers of the statements and schedules should also refer to the Crown Financial Statements for 2003/2004.

### *Fixed Assets*

#### Valuation

Land is valued at current market value by DTZ, independent property valuers, as at 30 June 2002.

Buildings are valued at depreciated replacement cost by DTZ, independent property valuers, as at 30 June 2002.

The land and building valuations are carried out on a three-year cycle.

Furniture is valued at cost. The antique and on collection was valued at fair market value by Dunbar Sloane valuers as at 30 June 2002.

Library reference collections are valued at historic cost and the heritage collection is valued at current market value, as at 30 June 2004, by library managers. The valuations are carried out on a three-year cycle.

Increases in the value of an asset class are credited to the appropriate asset revaluation reserves. Decreases in the value of an asset class are debited to the appropriate asset revaluation reserves. If this results in a debit balance in the asset revaluation reserve, then the debit balance has been expensed in the Statement of Financial Performance.

### Additions

Additions between valuations are recorded in their standard unit price as determined at the last valuation.

Donated assets invested in the Crown – with or without conditions – are recognised as revenue when control over the asset is obtained.

### Capital Work in Progress

Capital Work in progress is not appreciated. The total cost of this work is transferred to the relevant asset category on its completion and then appreciated.

### Depreciation

Depreciation of fixed assets is provided on a straight-line basis so as to allocate the cost of assets over the useful life. The fixed asset estimates' useful lives are:

Furniture	15 years
Antique and Art Collection	Not depreciated
Buildings	100 years
Fitout	30-40 years
Library Collection - reference	10-50 years
Library Collection - heritage	Not depreciated

### Goods and Services Tax (GST)

All Crown Schedules and Statements are GST inclusive except for fixed assets.

### Changes in Accounting Policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with the previous year.

## Schedule of Revenue for the Year Ended 30 June 2004

The Schedule of Revenue summarises non-departmental revenue that the Service administers on behalf of the Crown.

30/06/03		30/06/04	30/06/04 Main	30/06/04 Supp.
Actual \$000		Actual \$000	Estimates \$000	Estimates \$000
	<b>Vote: Parliamentary Service</b>			
	<i>Revenue</i>			
600	Value of additions to Library	567	1,500	600
600	Total Non-Departmental Revenue	567	1,500	600

## Schedule of Expenses for the Year Ended 30 June 2004

The Schedule of Expenses summarises non-departmental expenses that the Service administers on behalf of the Crown. Further details are provided in Statement of Expenditure and Appropriations on page 60

30/06/03		30/06/04	30/06/04 Main	30/06/04 Supp.
Actual \$000		Actual \$000	Estimates \$000	Estimates \$000
	<b>Vote: Parliamentary Service</b>			
	Other expenses to be incurred by the Crown			
22,438	- Annual	25,499	26,501	28,159
14,892	- Other	14,238	14,541	14,284
11,977	Purchase or development of capital assets by the Crown	4,383	7,000	5,500
11,557	Depreciation (see Note 1)	11,925	11,670	11,419
60,864	Total Non-Departmental Expenses	56,045	59,712	59,362

## Statement of Expenditure and Appropriations for the Year Ended 30 June 2004

The Statement of Expenditure and Appropriations details expenditure and capital payments incurred against appropriations. The Service administers these appropriations on behalf of the Crown.

<b>30/06/03</b>		<b>30/06/04</b>	<b>30/06/04</b>
<b>Actual Expenditure \$000</b>		<b>Actual Expenditure \$000</b>	<b>Supp. Estimates Voted \$000</b>
	<b>Vote: Parliamentary Service</b>		
	<i>Other Expenses to be incurred by the Crown - Annual</i>		
3,429	Members' Communications	3,651	3,997
6,573	MPs' Travel	7,848	9,913
1,003	Party & Member Support - ACT	1,025	1,025
67	Party & Member Support - Alliance	-	-
971	Party & Member Support - Green	1,096	1,096
4,597	Party & Member Support - Labour	5,537	5,583
3,660	Party & Member Support - National	3,664	3,670
1,194	Party & Member Support - NZ First	1,387	1,584
157	Party & Member Support - Progressive	249	249
787	Party & Member Support - United	1,003	1,003
-	Party & Member Support - Independent	39	39
22,438	<b>Total Other Expenses to be incurred by the Crown - Annual</b>	25,499	28,159
22,438		25,499	28,159

<b>Statement of Expenditure and Appropriations for the Year Ended 30 June 2004 - <i>continued</i></b>
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30/06/03		30/06/04	30/06/04 Supp. Estimates Voted
Actual Expenditure \$000		Actual Expenditure \$000	\$000
	Other Expenses to be incurred by the Crown - Other		
14,892	Members' salaries and allowances	14,238	14,284
<u>14,892</u>	<b>Total Other Expenses to be incurred by the Crown - Other</b>	<u>14,238</u>	<u>14,284</u>
	Purchase or development of capital assets		
11,977	Refurbishment of Executive Wing	4,383	5,500
<u>11,977</u>	<b>Total purchase or development of capital assets</b>	<u>4,383</u>	<u>5,500</u>

## Schedule of Assets as at 30 June 2004

The Schedule of Assets summarises the assets that the Service administers on behalf of the Crown.

30/06/03		30/06/04	30/06/04
Actual		Actual	Supp.
\$000		\$000	Estimates
			\$000
	<b>Vote: Parliamentary Service</b>		
	<i>Current Assets</i>		
10,930	Cash	15,178	3,000
87	Prepayments	75	-
297,682	Property, Plant and Equipment (see note 2)	292,282	295,319
<u>308,699</u>	<b>Total Non-Departmental Assets</b>	<u>307,535</u>	<u>298,319</u>

## Schedule of Liabilities as at 30 June 2004

The Schedule of Liabilities summarises the liabilities that the Service administers on behalf of the Crown.

30/06/03		30/06/04	30/06/04
Actual		Actual	Supp.
\$000		\$000	Estimates
			\$000
	<b>Vote: Parliamentary Service</b>		
	<i>Current Liabilities</i>		
1,066	Accrued Expenses	1,177	500
144	Provisions	188	-
1,407	GST Payable	26	-
889	Fixed Asset Creditors	175	-
2,296	Due to Departments	1,934	2,500
<u>5,802</u>	<b>Total Non-Departmental Liabilities</b>	<u>3,500</u>	<u>3,000</u>

**Parliamentary Service  
Statement of Crown Commitments  
as at 30 June 2004**

<b>30/06/03 Actual \$000</b>		<b>30/06/04 Actual \$000</b>
	<b>Capital Commitments</b>	
2,176	Less than one year	177
0	One to two years	0
0	Two to five years	0
0	Over five years	0
<u>2,176</u>	<b>Total Capital Commitments</b>	<u>177</u>

**Parliamentary Service  
Statement of Contingent Liabilities  
as at 30 June 2004**

There are no contingent liabilities as at 30 June 2004.  
(30 June 2003: Nil)

*Note 1: Depreciation*

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
8,110	Buildings	8,593
1,322	Furniture	1,353
2,125	Library Collection - Reference Collection	1,979
<u>11,557</u>	<b>Total Depreciation</b>	<u>11,925</u>

*Note 2: Plant, Property and Equipment*

<b>30/06/03</b>		<b>30/06/04</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
	<b>Land</b>	
45,000	At valuation - 30 June 2002	45,000
<u>45,000</u>	Land - net current value	<u>45,000</u>
	<b>Buildings (including WIP)</b>	
202,715	At valuation - 30 June 2002	202,715
-	At cost	14,527
11,517	Work in progress	1,373
(8,110)	Accumulated depreciation	(16,703)
<u>206,122</u>	Buildings - net current value	<u>201,912</u>
	<b>Furniture</b>	
20,290	At cost	20,290
(10,196)	Accumulated depreciation	(11,549)
<u>10,094</u>	Furniture - net book value	<u>8,741</u>
	<b>Antiques and Art Collection</b>	
8,412	At valuation - 30 June 2002	8,412
<u>8,412</u>	Antiques and Art Collection - net current value	<u>8,412</u>
	<b>Library Collection (Valued at 30 June 2004)</b>	
12,199	Collections not depreciated - Heritage Collection	12,199
22,531	Collections valued on Historic Cost - Reference Collection	24,673
(6,676)	Accumulated depreciation	(8,655)
<u>28,054</u>	Library Collection - net book value	<u>28,217</u>
	<b>Total Fixed Assets</b>	
322,664	At cost	329,189
(24,982)	Accumulated depreciation	(36,907)
<u>297,682</u>	<b>Total Fixed Assets - Carrying Value</b>	<u>292,282</u>