



PARLIAMENT of AUSTRALIA  
Joint Standing Committee on the Parliamentary Library

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Mr Russell Chafer  
Committee Secretary  
Joint Committee of Public Accounts and Audit  
Department of the House of Representatives  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Mr Chafer

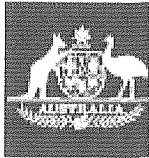
**Submission to the Inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies**

The Joint Standing Committee on the Parliamentary Library wishes to make the following submission to your inquiry in relation to the effect of the ongoing efficiency dividend on the Parliamentary Library and, because of its funding arrangement, the Department of Parliamentary Services.

The Parliamentary Library's resources are provided by the Department of Parliamentary Services. The Department's 2008-09 appropriation is \$116.852 m and therefore fits within the inquiry's definition of a small agency, i.e. with an operational budget of less than \$150m.

Hon Dick Adams MP  
Joint Chair

Sen Russell Trood  
Joint Chair



**Submission to the Inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies**

**Executive Summary**

The Parliamentary Library has, before and since the creation of DPS, experienced over a decade of efficiency dividend reductions and has achieved significantly improved productivity from its resources. Achieving further efficiencies to fund the pay increases necessary to attract and retain skilled staff and meet efficiency dividend reductions without significant cuts in services is a very difficult task.

A consequence of the efficiency dividend has been a reduction in the ability to purchase information resources for use by Senators and Members. The pressure of increasing costs and the efficiency dividend will lead to a further reduction in the number of staff delivering research services, simply because of the predominance of salaries in the Research Branch budget (99%).

Unless the Library can achieve additional funding through a New Policy Proposal, or achieve change to the current funding model, resources available to Senators and Members will continue to decline. The efficiency dividend has had a negative impact on Library funding and services and through this the operation of the Parliament. Given its role as part of a parliamentary service department, "section 31" agreements to secure non-appropriation receipts are not an option for the Library.

**Background**

The Australian Parliamentary Library's services are established under the statutory office of the Parliamentary Librarian which has the following functions:

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

The Parliamentary Library is composed of the Parliamentary Librarian and the employees of the Department of Parliamentary Services (DPS) assisting the Parliamentary Librarian. The Parliament sought to ensure the independence of the Library by requiring that:

- (1) The Secretary of the joint Department must provide resources to the Parliamentary Librarian in accordance with an annual agreement that satisfies the requirements of subsection (2).
- (2) The agreement must be:
  - (a) made between the Secretary of the joint Department and the Parliamentary Librarian; and
  - (b) approved by the Presiding Officers in writing after receiving advice about the contents of the agreement from the Library Committee..<sup>2</sup>

<sup>1</sup> Parliamentary Service Act 1999, subsection 38B(1)

<sup>2</sup> *ibid.*, subsection 38G(1) and (2)

An important governance arrangement for the Parliamentary Library is the Joint Standing Committee on the Parliamentary Library (the **Library Committee**).

The terms of reference of the committee are to:

- (a) consider and report to the President of the Senate and the Speaker of the House of Representatives on any matters relating to the Parliamentary Library referred to it by the President or the Speaker;
- (b) provide advice to the President and the Speaker on matters relating to the Parliamentary Library;
- (c) provide advice to the President and the Speaker on an annual resource agreement between the Parliamentary Librarian and the Secretary of the Department of Parliamentary Services; and
- (d) receive advice and reports, including an annual report, directly from the Parliamentary Librarian on matters relating to the Parliamentary Library.<sup>3</sup>

The Library Committee has recently discussed and provided advice to the Presiding Officers on the 2008-09 Resource Agreement. It is apparent to the Library Committee that the Library's capacity to perform core functions or to innovate *is* being affected by the efficiency dividend.

### **Efficiency savings measures in the Parliamentary Library**

The Library has focused on making productivity savings for many years. In the past two years, Continuous Improvement Reviews (**CIRs**) have been completed for all areas in DPS under the DPS Certified Agreement (**CA**), which covers Library staff.

The objective of the CIRs was to "find more cost-effective and efficient means of delivering services provided by DPS". CIRs were conducted using a two-tier structure, including a Review Group and a Steering Committee.

The **Research Branch** Review Group recommended that efficiencies could be achieved by moving from a "flat" to an "inverted pyramid" structure by introducing a small number of Research Assistant and Researcher positions (at the PSL4/PSL5 and PSL6 levels). The revised structure enables the delivery of the same high quality services in a more **efficient** and **cost effective** manner, because the portion of lower-level work required of the Research Branch would be done by staff at those levels, not by staff at higher levels. As a result, staff at higher levels would undertake more work at their own level.

The Report confirmed the continuing need for staff specialisation, but also noted the need for the Research Branch to be able to respond flexibly to new issues and subjects as they emerge.

The broadbanded PSL4/5 positions were created after consultation with all Library staff, and the relevant union. The positions were funded from vacancies. A small budget saving was achieved.

The **Information Access Branch** CIR was completed in October 2007. The majority of the recommended changes are now in place. A small number need to

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<sup>3</sup> Motion establishing the Joint Standing Committee on the Parliamentary Library, *Hansard*, House of Representatives, 12 February 2008 and agreed to by the Senate on 13 February *Senate Journal* no 2 28

wait until the implementation of the new Parlinfo, which will occur in the second half of 2008.

Improvements set out in the recommendations included:

- (a) efficiencies in the delivery of self help services to clients;
- (b) changes to reduce duplication of effort for transcripts which are stored in ParlInfo and the Electronic media Monitoring System;
- (c) efficiencies in relation to collection access with digitisation of the Library's older information and press clippings files so that the material is available on demand and storage space reduced; and
- (d) development of a digital collection policy which sets out the types of information resources the Library needs to hold in its own repository and what resources can be accessed, on demand, from other trusted external repositories.

In addition to the CIRs, other areas of productivity savings identified in recent years are:

- (a) **Parlinfo and Bills system:** The replacement of Parlinfo will enable improvements in functionality for users and the Library should be able to implement more efficient work practices after the system is implemented (August 2008).
- (b) **Publishing:** The Publishing Section in the Library added two major tasks to the work it undertakes within its current resources. The development of the Index to bound Hansards and managing the contract for Hansard printing
- (c) **News services tender:** A tender for online news services including news clippings, breaking news and online full text services was completed in 2007-08. The result is that better value for money services have been obtained with access by all clients to a wider range of online newspapers. The saving was used to purchase more online newspapers including Factiva iworks, Library Press Display and the Australian and New Zealand Reference Centre. The need for a wider range of regional news resources remains a high priority for clients and cannot be afforded within the Library's current budget.

### **Client needs**

The 2007 review of client needs was based on a survey of clients, focus groups and an analysis of the use of services delivered by the Library, including the collection.

Despite the high level of satisfaction, areas for improvement were identified by many clients through both the survey and the focus groups. The key areas to address were identified as:

- (a) achieving greater consistency and quality of service in response to individual client requests;
- (b) improving, as far as is possible, the timeliness of library publications, in particular Bills Digests;
- (c) the need to improve awareness of a number of services, including by reviewing and implementing a Communication Plan;
- (d) improving online services—extending access to the Electronic Media Monitoring Service (EMMS) to Electorate Offices and replacing the ParlInfo system with one that is easier to use and more efficient to

- manage are high priorities to clients for these heavily used services;  
and
- (e) continuing to improve the online resources available to clients at their desktop (or devices), including regional newspapers and alerting services.

### **Research service**

A high budget pressure for the Library is increasing salaries, particularly in the Research Branch where salaries and related expenses, including training, account for over 99 per cent of branch expenditure. Apart from the measures already put in place and outlined above (p.3) it is difficult to see how a relatively small organisation like the Research Branch, with a heavy reliance on staff, can continue to make efficiency savings.

Research services can only be provided by having skilled staff with subject-based knowledge and expertise. Improvements in technology and training can assist staff to access a wider range of information more quickly. However, making sense of that information and tailoring responses for clients cannot be automated and is resource intensive.

Implementing the recommendations of the Continuous Improvement Review of the Research Branch has ensured that the Branch has a cost-effective structure. It has also created a structure which allows the Branch to recruit staff at lower levels and, potentially, retain them over time, thereby mitigating some of the recruitment problems that would otherwise be likely due to the ageing nature of its workforce and the tight labour market. Salaries need to remain competitive to attract and retain sufficient skilled staff.

Further efficiencies are becoming increasingly difficult to identify. Consequently, meeting salary increases consistent with the DPS Certified Agreement whilst maintaining service levels and improving the quality of services, is a very significant challenge. The Research Branch is currently fully staffed for the first time since the amalgamation, Branch review and restructure. For the 2008-09 budget to be met, not all positions will be able to be filled.

### **The Collection**

The Parliamentary Library's 2007 review of client needs found that the greatest gap between client needs and services was access to regional media and other online resources. The Joint Committee on the Parliamentary Library has also urged the Library to provide access to more electronic resources, noting that additional funding would be required.

Within its budget, the Library has, in recent years, increased the range of electronic resources to the desktop so that Senators and Members have access to this information regardless of time or location. This has meant reducing expenditure on print materials.

The Library has a small collection budget of approximately \$1.5 million for all materials, plus an additional \$600,000 to replace depreciating parts of the collection, such as monographs and reference books.

Neither the client survey nor the Library Committee could identify services that should cease or be significantly reduced in order to purchase additional electronic resources.

Without further funding for the collection Senators and Members will not be able to fully and effectively respond to issues in the Parliament and as representatives who are well informed about regional issues. The Library proposed additional funding through a New Policy Proposal which was not successful due to a climate of financial restraint.

Library material prices (books and journals) have been increasing at a level beyond the funding increases available to the Library (CPI, less the efficiency dividend) for some years. A recent Library Journal study (see attachment A) found the changes in the average cost per journal title from 2004 to 2008 were:

- (a) 42% for journals published in Australia and New Zealand;
- (b) 39% for journals published in North America; and
- (c) 34% for journals published in Europe.

The effect of the cumulative price increases, without an increase in budget, is that the Senators and Members are able to access fewer resources from the Library each year because it purchases less and less collection material every year.

### **National Library of Australia**

The Parliamentary Library obtains loans and copies of many books and journal articles from the National Library for its clients. The National Library has advised that they have reviewed the hours of operation of the Document Supply Service and from 30 June 2008 the Service will operate between the hours of 9.00am to 5.00pm Monday to Friday.

They very much regret having to reduce the hours of service, which previously operated until 6.00pm, as we know. Unfortunately, the National Library has found that it has become more and more difficult to maintain services with the continuing pressures of the Efficiency Dividend.

It is vital for the clients of the Australian Parliamentary Library that the National Library's service providing loans of books and copies of articles continues to be available.

Hon Dick Adams MP  
Joint Chair

Sen Russell Trood  
Joint Chair

## Attachment A: Cost of journals

TABLE 4 COST HISTORY BY CONTINENT/COUNTRY OF ORIGIN Continent/Country	Average No. of Titles 2004-2008	Average Cost Per Title 2004	Average Cost Per Title 2005	% of Change '04-'05	Average Cost Per Title 2006	% of Change '05-'06	Average Cost Per Title 2007	% of Change '06-'07	Average Cost Per Title 2008	% of Change '07-'08	% of Change '04-'08
<b>North America</b>											
United States	2,445	\$595	\$641	8	\$702	9	\$767	9	\$828	8	39
Canada	102	212	229	8	245	7	270	10	303	12	43
Other	10	108	116	7	104	-10	108	4	107	-1	(1)
<b>Average for all North America</b>	<b>2,556</b>	<b>578</b>	<b>623</b>	<b>8</b>	<b>682</b>	<b>9</b>	<b>745</b>	<b>9</b>	<b>805</b>	<b>8</b>	<b>39</b>
<b>Europe</b>											
France *	98	245	249	2	243	-2	264	9	356	35	45
Germany *	399	1,165	1,259	8	1,272	1	1,399	10	1,519	9	30
Ireland *	38	2,112	2,247	6	2,381	6	2,545	7	2,712	7	28
Italy *	47	178	201	13	199	-1	219	10	278	27	56
The Netherlands *	536	2,075	2,206	6	2,353	7	2,503	6	2,709	8	31
Switzerland	87	938	1,031	10	1,187	15	1,270	7	1,421	12	51
United Kingdom	1,733	1,041	1,127	8	1,217	8	1,327	9	1,454	10	40
Other	161	1,322	1,250	-5	1,356	9	1,460	8	1,590	9	20
<b>Average for all Europe</b>	<b>3,099</b>	<b>1,228</b>	<b>1,306</b>	<b>6</b>	<b>1,394</b>	<b>7</b>	<b>1,506</b>	<b>8</b>	<b>1,643</b>	<b>9</b>	<b>34</b>
<b>Average for all Asia</b>	<b>152</b>	<b>538</b>	<b>580</b>	<b>8</b>	<b>627</b>	<b>8</b>	<b>659</b>	<b>5</b>	<b>695</b>	<b>5</b>	<b>29</b>
Australia and New Zealand	55	425	460	8	495	8	553	12	605	9	42
South America	20	98	104	6	105	1	105	0	112	7	14
Africa	10	114	119	4	137	15	154	12	206	34	81

\*Included in European Monetary Union

SOURCE: LJ PERIODICALS PRICE SURVEY 2008

Van Orsdel, L.C., Born, K. "Periodicals Price Survey 2008: Embracing Openness", *Library Journal*, 4/15/2008  
<http://www.libraryjournal.com/article/CA6547086.html>

**Attachment B: Australian Parliamentary Library:  
average staffing level 1993-94 -2007-08**

	Actual Average full time equivalent staffing level as at 30 June	Notes
1993-94	201.6	
1994-95	223.2	
1995-96	213.9	
1996-97	195.2	
1997-98	194.1	
1998-99	188.8	
1999-2000	177.1	
2000-01	181.3	
2001-02	164	
2002-03	169	
2003-04	153.6 <sup>4</sup>	Department of Parliamentary Services formed. Corporate and support staff transferred to other areas in the department.
2004-05	149.6	
2005-06	139	
2006-07	132.6	
2007-08	137.6	Average to 30 May 2008

<sup>4</sup> 2003-04 figure is not available. The 30 July 2004 figure has been used.