

PART 1

SECRETARY'S REVIEW

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2014–15 was a year of review, critical scrutiny and challenge for the Department of Parliamentary Services (DPS). There were highly critical findings by the Australian National Audit Office (ANAO), further review of the performance of the department by the Senate Finance and Public Administration Legislation Committee, and an inquiry by the Senate Standing Committee of Privileges into the use of CCTV material in Parliament House. These are discussed below.

To improve our corporate governance and processes the department implemented new corporate systems to bring greater accountability and transparency and implemented a stronger governance framework.

Security issues also featured in 2014–15. Following the increased National Terrorism Alert Level in September 2014, the Presiding Officers gave the Australian Federal Police responsibility for operational security within Parliament House, and DPS embarked on a major program of security-related capital works, on a scale not previously pursued.

SUPPORTING THE WORK OF PARLIAMENTARIANS AND THE PARLIAMENT

Our overriding priority in 2014–15, as every year, was to support the functions of Parliament and meet the needs of parliamentarians and their offices. Services continued to be delivered while DPS responded to the challenges noted above. Among other things, this meant:

- transcribing 55,872 pages, and recording and broadcasting 4,216 hours, of chamber proceedings and committee hearings
- providing information, analysis and advice through the Parliamentary Library
- maintaining Parliament House and its grounds as a safe, secure and functional working building
- providing improved ICT services and support to building occupants
- providing art services to parliamentarians
- welcoming visitors to Parliament House and ‘virtual’ visitors experiencing the Parliament via the APH website, and
- managing the wide range of licences and contracts that give building occupants access to commercial services within the precinct.

DPS is responsible for the provision and support of dependable and diverse ICT options to parliamentarians and their staff – not just while they are in Parliament House, but in their electorate offices across the country, and on the road. DPS delivers ICT services to more than 5,400 registered users, and the standard we set ourselves is to provide ICT access and support ‘anytime, anywhere’.

As a result of work done in 2014–15, Parliamentary Library newspaper clippings and breaking news services, previously only available on the parliamentary computing network, can now be accessed on senators’ and members’ mobile devices.

Stability and reliability of core ICT systems improved in 2014–15, with email, Hansard, ParlInfo (the repository of parliamentary data) and chamber support systems available 100 per cent of the time.

SERVICES FOR NEW SENATORS

The changeover of the Senate in July 2014 saw 12 new state senators take their seats. In addition, four senators filled casual vacancies during the financial year.

All these new parliamentarians were provided with a comprehensive suite of support services by DPS, including ICT hardware, software and support in Parliament House and their electorate offices, an art allocation; and a welcome pack of material including APH maps, flip charts of available services and pocket guides of Parliament House. The Parliamentary Library provided new senators with a contact officer to familiarise them with library services.

SERVICES FOR VISITORS

Following the installation of assisted listening devices in the great hall, marble foyer and the great verandah in 2013–14, DPS completed the installation of assisted listening devices in all but one of the committee rooms in 2014–15, making the work of Parliament more accessible to visitors and building occupants with hearing impairments. Installation in the Main Committee Room was completed in early 2015–16.

The APH website makes the Parliament and its work more accessible to the community, including those who live outside the national capital. In 2014–15 the website offered 3.9 million visitors access to information ranging from Hansard transcripts and educational material to the individual pages about senators and members. On-demand streaming of parliamentary proceedings and historical footage became available to the community via smartphone, tablet or computer.

In 2014–15 work commenced on improving the design of the Visit Parliament section of the APH website and improving its functionality. This work will be completed in 2015–16.

Offerings for visitors continued to expand and improve in 2014–15, with new behind-the-scenes tours and special events designed to coincide with major local events, such as the Floriade, Enlighten and Canberra and Region heritage festivals. These special events were offered on a cost-recovery basis and achieved an average participation rate of between 75 and 90 per cent.

A thematic focus of our visitor service in 2014–15 was the 800th anniversary of Magna Carta—one of the most significant documents in the history of democracy. Australian Parliament House is home to one of only four remaining copies of the 1297 Inspecimus edition of Magna Carta, issued by King Edward I, and the only copy of Magna Carta in the southern hemisphere. The celebration of the 800th anniversary of Magna Carta in the second half of 2014–15 included special tours, film screenings, lectures, and a live television recording. The celebration of the anniversary continued into the first half of 2015–16.

RESPONDING TO AUDITS AND REVIEWS

A concerted focus for DPS in the latter part of 2014–15 was addressing findings of significant reviews and audits of our systems and processes. Many aspects of our work were scrutinised, including record-keeping, asset management, procurement, contract management, leadership and the use of CCTV footage in an internal disciplinary matter. One outcome of the Privileges Committee inquiry into CCTV use was the development by the Presiding Officers of a new code of practice for CCTV. In accordance with the Committee's recommendations, privileges training for DPS staff has been strengthened.

The wide ranging inquiry by the Senate Finance and Public Administration Legislation Committee had not yielded a final report by the end of the financial year, but the two interim reports the committee issued in April and June 2015 signalled serious concerns with key aspects of DPS' performance. The report on DPS' performance by the ANAO, *Performance Audit 2014–15 #24 Managing Assets and Contracts at Parliament House*, which was released in February 2015, similarly pointed to significant shortcomings.

The department worked hard to respond to the findings of each of the reviews and inquiries. More robust systems were put in place, to improve accountability and transparency, and to ensure that DPS employees better understand their obligations. While there is still some way to go, considerable progress has been made.

In particular, our 2014–15 work involved systematically and progressively responding to the recommendations of the ANAO report.

New procurement and contract management policies, and training modules for staff involved in procurement and contract management, have been developed and introduced. The suite of training now ranges from foundation training to quarterly procurement practitioners' forums which share learnings and reinforce best practice. Further advanced training will be introduced in 2015–16. By early 2015–16 a new Procure to Pay (P2P) system will complete the comprehensive reforms of DPS' procurement processes.

The majority of the ANAO's recommended reforms will have been implemented by December 2015.

A new DPS Risk Management Policy and Framework was also implemented in 2014–15, and work on a new fraud control plan was well advanced by the end of the financial year.

While there have been some sound achievements, there remains a significant program of work ahead to address findings in relation to records and asset management and to build on improvements in procurement and contract management.

FINANCIAL RESULTS

After two years of financial deficits, DPS received significant investment in the 2014–15 Budget, allowing it to begin to restore service levels. The total departmental operating expense was \$117.4 million for employee and supplier costs (excluding Electorate Office IT, former prime ministers' ICT expenses, AUSPIC and unfunded depreciation),

compared with \$120.8 million in 2013–14. In 2014–15, DPS recorded an operating surplus of \$10.9 million (excluding unfunded depreciation). Causes of the surplus were:

- delays in the implementation the Australian Parliament House Security Upgrade, which required long lead times to recruit suitable staff and get construction projects shovel-ready
- flow-on effects of the savings measures implemented in 2013–14 to minimise the operating deficit. These measures included halting recruitment, delaying maintenance activities and reductions in services. These activities were resumed during 2014–15. However, because of the lead times involved in this type of work, the earlier savings measures still had an impact on the 2014–15 result, and
- fewer voluntary redundancies than planned, with 11 of the 24 planned voluntary redundancies completed during 2014–15.

CUSTODIAN OF THE BUILDING

In 2014–15 industry experts were engaged to undertake a Building Condition Assessment Report (BCAR), which was completed in March 2015, along with a Strategic Asset Management Plan (SAMP).

All aspects of the building fabric and services were examined. The report recommended a 10-year asset replacement and refurbishment program to maintain the condition and functionality of the building, while the plan identified the additional funding that would be needed over the coming decade to address the issues raised in the report. The 2015–16 Budget provided an additional \$98 million in administered funding across the budget year (\$23 million) and forward estimates (\$25 million a year).

The BCAR and SAMP are now guiding the Prioritised Capital Works Plan commencing in 2015–16. Some of the key projects to commence during 2015–16 will include the upgrade of the lifts, electrical services and heating ventilation and air-conditioning systems throughout Parliament House, as well as the replacement of chillers. Fire systems upgrades and the working-at-heights project, which commenced in earlier years, will continue during 2015–16.

SECURITY AT PARLIAMENT HOUSE

Responsibility for the maintenance of security arrangements at Parliament House and the precinct is vested in the Presiding Officers. They receive specialist security advice from the Security Management Board (SMB), and day-to-day security is maintained under the direction of the SMB.

In late 2014 the Presiding Officers accepted the recommendations of a review of security arrangements at Parliament House and a multi-agency taskforce was established to advise on the delivery of these changes. The Presiding Officers also issued an Authorisation under the *Parliamentary Precincts Act* to place the control of day-to-day operational security and incident response under the Australian Federal

Police (AFP), to ensure a streamlined approach between daily business and major incident management. A Memorandum of Understanding between the AFP and DPS was established to ensure the agencies work in partnership.

DPS commenced a major program of work to improve physical security at APH. Funding for this work was provided in December 2014 and construction work began in early 2015, managed by a new Program Delivery Branch established in the Building and Asset Management Division. By Budget Day 2015 the construction of new physical security arrangements had been put in place at three entrances to the private areas of APH. Work will continue in 2015–16, with a program of security works around the Ministerial wing approved by the Parliament in March 2015.

BETTER CORPORATE SYSTEMS

As noted above, over the course of 2014–15 considerable work was done to strengthen DPS' governance framework and corporate systems, to improve efficiency, accountability and transparency and allow the department to better monitor its own performance.

Financial, recruitment, payroll and HR systems were all switched over to SAP. By the end of this three-year project, all workforce management, training, projects, procurement and asset management will have migrated to SAP.

DPS PEOPLE

DPS has undergone considerable structural change over the past two years. The benefits of this change are being incrementally realised.

In 2014–15 consolidation of the new senior executive service structure of DPS continued, with the permanent filling of a number of senior roles. Stability of the leadership team remains a challenge; the SES turnover rate continued to be high. A priority for the immediate future will be to ensure greater stability in the leadership team. The leadership cohort is dedicated to this task, and to giving clear direction to their teams for the coming years. Four senior staff from across the department departed during the year. In April 2015 Ms Carol Mills' term as Secretary of DPS ceased.

GRADUATE PROGRAMS A 'FIRST'

For the first time in 2014–15, DPS offered placements under the Parliament of Australia Graduate Program. This program offers valuable parliamentary experience and insights to graduates who have completed their graduate year in an Australian Government department or agency. In 2014–15, DPS welcomed graduates from the Department of Human Services, the Attorney-General's Department, Treasury and the Department of the Environment. Placements ranged from three to eight months.

In November 2014, DPS also welcomed two ICT graduates under a year-long program run by the University of Canberra. Parliament is a unique learning environment for early-career ICT professionals, giving the graduates an end-to-end perspective of systems and processes, and letting them see how their work assists the crucial work of the Parliament.

LOOKING AHEAD TO 2015–16

A key priority for the early part of 2015–16 was briefing and supporting the new Speaker of the House of Representatives.

On 27 August 2015, the Presiding Officers announced that they had asked the Parliamentary Service Commissioner to undertake a review of the capacity of DPS to fulfil its role to serve the Parliament of Australia efficiently and effectively. The review is to focus on the structures, systems and staffing profile of the Department, with a view to assessing whether or not the current structure is fit for purpose and recommending any changes considered necessary.

The Parliamentary Service Commissioner engaged Mr Ken Baxter, an eminent former public servant, to assist him in the matter. The Presiding Officers expect to receive the Commissioner's report in October 2015.

2015–16 will see the appointment of a new DPS Secretary. This process is being managed by the Parliamentary Service Commissioner.

Over the course of 2015–16 DPS will review the suite of services and products it used to support parliamentarians at the start of the 44th Parliament, and explore how these services and products can be improved and updated ahead of a federal election in either 2015–16 or early 2016–17.

Our focus on further improving internal DPS' governance framework, policies, guidelines and systems and record-keeping will continue. An updated and enhanced electronic records management system is being rolled out in the first half of the financial year, all record keeping policies and procedures will be reviewed, and work is being undertaken on business continuity planning.

Over the course of 2015–16 we will continue to implement actions arising from recent inquiries, the ANAO audit and the final report of the Senate Finance and Public Administration Committee which was tabled on 17 September 2015.

A new DPS Service Charter, Client Feedback Policy, quarterly survey of building occupants and Food, Beverage and Retail Strategy will be finalised in the first half of the year, to ensure that we are as responsive as possible to our key clients.

Work began in 2014 on the design principles, along with work on a five-year conservation management plan. An Expert Advisory Panel is guiding the development of both documents. Together, these documents will help the Presiding Officers and DPS take an integrated approach to the medium- and long-term management of Parliament

House, reflecting design intentions of the principal architect. Both documents are expected to be completed in 2015–16.

Prioritised capital works will be rolled out in 2015–16. Among these will be the continuation of the security upgrade program, especially the hardening of perimeter security around the ministerial wing. Other prioritised work will involve the replacement or refurbishment of ageing building systems, such as lifts, electrical systems and heating, ventilation and air-conditioning systems.

2015–2016 marks the mid-point of the Parliament of Australia’s ICT Strategic Plan and will be a year in which a number of crucial elements of that plan are delivered. Investment will be roughly double that of 2014–15. Work over the next 12 to 18 months will:

- enable parliamentarians to access the information they require in the Chamber via mobile devices, through the ParlWork project
- make Wi-Fi available in electorate offices
- strengthen ICT security, and
- deliver a new telephony system integrating desktop, voice and video across APH.

Improving ICT security will also be a priority in 2015–16, with a focus on a new ICT identity and access management system and a network segmentation project. Web and email filter replacements are scheduled, and there will be additional security awareness training delivered, and work to improve DPS’ cyber investigation capability.

Strengthening the technical capacity of the Building and Asset Management Division, with the recruitment of a chief engineer and fire engineer, will be a priority in the last quarter of 2015.

CONCLUSION

I thank the Presiding Officers for their support and guidance in 2014–15.

I wish to thank also Dr Rosemary Laing, Clerk of the Senate, Mr David Elder, Clerk of the House, and Mr Phil Bowen, Parliamentary Budget Officer, for their collegiate approach to the business of serving the Parliament and parliamentarians.

Finally, my thanks and appreciation to the SES leadership team and all DPS staff for their support during my period as Acting Secretary, and for their continuing commitment to their work to support the Parliament and to maintain Australian Parliament House and the Parliamentary Precinct.