



Parliament of Australia

Department of Parliamentary Services

**Submission to Senate Finance and Public Administration
Legislation Committee**

**Inquiry into the performance of the Department of
Parliamentary Services (DPS)**

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Inquiry into the performance of the Department of Parliamentary Services (DPS)

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Introduction

1 The Department of Parliamentary Services is pleased to provide a submission to assist the Senate Finance and Public Administration Legislation Committee with its inquiry.

2 The main body of this submission sets out:

- A summary of the principal achievements of DPS since it was established in 2004.
- Key challenges for DPS in 2011.
- Responses to each of the first six terms of reference of the inquiry. DPS acknowledges that the Committee may request further information from DPS once submissions have been received from other stakeholders.

3 Some background information about DPS, including its origins, services delivered, organisational arrangements and consultative arrangements is provided at **Attachment A**.

Principal achievements of DPS

4 Since DPS was established in early 2004, the staff of the Department can identify many achievements. Principal achievements include:

- 1) **Effective service delivery within a declining budget** — The real purchasing power of the DPS operating budget has declined around 20% since 2003-04. Throughout this period DPS has continued to provide effective and timely day-by-day services.

This has been possible because DPS has achieved significant internal savings, which have allowed the Department to manage within its operating budget. Most notably, staff numbers have declined from some 895 full time equivalents (in 2004) to around 730 FTE at June 2011.

These savings have been achieved while still providing high quality services to the Parliament through the Parliamentary Library, Hansard, broadcasting, security, IT, visitor service guides, maintenance staff, and many other staff.

- 2) **Capital works program has dramatically increased**—from less than \$12 million annual investment in 2006-07 to around \$60 million in 2009-10, 2010-11, and 2011-12.

This has allowed DPS to tackle a backlog of necessary replacement and improvement works, as well as undertaking upgrades to physical security

- 3) **Improvements to physical security and information security**—reviews of physical and information security occurred in 2009 and 2010 respectively. As a result, on-the-ground improvements to physical security are now well advanced; measures to upgrade information security are now partially in place, with other measures to be implemented over the next 12 months.
- 4) **Continuity of parliament**—contingency plans have been developed in the event that normal parliamentary business is disrupted, jointly with the Chamber Departments and the Attorney-General's Department. These plans are supported by business continuity exercises, involving all three Parliamentary Service Departments.
- 5) **Improved Library service delivery**—the Library has improved client services through on-line delivery using new technology to increase access to library publications and services, notably the FlagPost Blog, Facebook and Twitter.
- 6) **Parliament House Art Collections now more effectively managed** — prior to the 2004 Churcher review, management of these important collections was patchy. *Effective management and curatorial quality systems are now in place.*
- 7) **Services Catalogue** – a new and comprehensive services catalogue has been created. This catalogue provides advice to Senators, Members, their staff and the Chamber Departments about the range of services provided by DPS.

Importantly, each Branch of DPS understands that services delivered are expected to be at least to the levels specified in the services catalogue.

8) **Establishing the single department**—including:

- early consolidation of finance, human resources, purchasing and governance functions, at a saving of \$2 million pa;
- creating a common employment agreement to replace the four existing agreements; and
- establishing comprehensive policies for financial management, human resources, procurement and security.

More recently an overall asset management policy has been established. Among other matters, this policy recognises the components of the asset life cycle, and facilitates rational planning and prioritisation of capital works.

9) **Active engagement with staff** — formal and informal mechanisms have been established to recognise the performance of DPS officers, to provide advice to staff, and to seek staff input to decisions about how we provide services to the Parliament. These include a user friendly intranet site and fortnightly newsletters, the DPS consultative forum, and Leadership Gatherings. We also recognise staff achievement, including the annual Australia Day achievement awards, and the award of long service pins.

5 In addition to these big-picture initiatives, there have been numerous other innovations, including:

- water conservation through the use of recycled cooling tower water for water features, and further water conservation through use of drought-resistant plants, including couch grass;
- pilot installation of solar electric panels to better assess possible large scale use of this technology for Parliament House;
- new Childcare centre;
- wireless IT connectivity through the building; and
- digitising historic Hansard and broadcast records.

Key Challenges for DPS (mid-2011)

6 As of mid 2011, DPS has identified the following key challenges:

- 1) **Service delivery** – ensuring adequate future service delivery within an operating budget with declining real purchasing power. Amongst other matters, DPS intends to establish rigorous service performance standards within our services catalogue, notably for IT services.
- 2) **Physical security** – completing the upgrades to physical security around Parliament House.

- 3) **Information security** – ensuring security for the parliamentary IT systems, including implementing the findings of the recent information security review to enhance the Parliamentary Computing Network.
- 4) **Electorate Office IT** – completing the transfer of Electorate Office IT services from the Department of Finance and Deregulation to DPS and improving services to parliamentarians and their electorate offices.
- 5) **Emerging IT** – responding to the needs of Senators and Members for access to new information systems and services, such as iPads. With the widespread adoption of mobile computing tools, PCN availability is now expected on a 24 x 7 basis. The network was not originally designed, nor was DPS funded, for such high demand.
- 6) **Library**—needs adequate and improved resources to deliver:
 - research advice in emerging areas such as climate change and global finance;
 - enhanced online services; and
 - increased digital resources.
- 7) **Replacing aged systems** – continuing the current capital upgrade program, including completion of a new IT network for the building, replacing aged kitchens, upgrading the art storage facilities, and replacing aged electrical, heating and cooling systems which will improve overall environmental performance and reduce utility costs.
- 8) **Emerging needs** – addressing emerging infrastructure needs, notably those related to:
 - access for the disabled (including access to the building, and online access); and
 - changes in Australian building standards.
- 9) **Heritage management** – implementing an effective Heritage Management framework for Parliament House, to ensure heritage values are protected, whilst meeting the needs of a working parliament.
- 10) **Staff development**—with an emphasis on leadership, customer focus and dealing with change. This includes progressive implementation of numerous initiatives in our current DPS strategic plan.
- 11) **Responding to audits and reviews** – addressing any shortcomings in process and policy identified by audits and other reviews, notably the current audit of the disposal of two billiard tables, and the subsequent overall review of disposal systems.

7 DPS officers also acknowledge that this review of DPS performance, may also make recommendations about the future operations of DPS.

Specific responses to terms of reference

Term of reference (a)—Matters raised at the Budget estimates hearing of the Committee on 23 May 2011, and in answers to questions on notice.

1 Immediately after hearings in late May, senior DPS officers carefully considered the information that had been provided to the Committee, and the additional issues related to billiard tables that had become apparent on the day of the hearing.

2 All current DPS Executive Committee members were very concerned about the billiard table issues that had become apparent on 23 May. Our initial response to the Committee is presented in a letter to the Chair of the Committee, dated 4 July. A copy is at **Attachment B**.

3 DPS officers have also assembled responses to the various questions on notice which arose from the hearing. These answers were provided to the Committee on 8 July.

4 DPS officers are willing to respond to any further enquiries from the Committee about these matters.

Term of reference (b)—Policies and practices followed by DPS for the management of the heritage values of Parliament House and its contents.

1 Parliament House is the primary place of business for the Australian Parliament. The building has a design life of over 200 years, and over that period, it is certain that the needs of the Parliament will change—partly because of changing technologies, but also because of external factors, such as changing security and environmental needs.

2 Parliament House is also a national icon. The challenge for the Parliament and for the Parliamentary Service is to preserve the design integrity of the building, and its other heritage values, while making progressive changes to respond to evolving needs of the Parliament.

3 The following paragraphs outline the contribution of DPS to protecting heritage values, which can be broadly grouped as follows:

- Design integrity
- Cultural and heritage collections
- Other moveable items, which may have cultural or historic values
- Evolving heritage (which may overlap the other three headings).

4 These aspects are discussed below.

- **Design integrity**—Maintaining design integrity has always been a strong focus and this is reflected in early papers. Any proposals to develop or change the building are assessed against the original design, as expressed through the *Architect's Design Intent for Parliament House Canberra: Central Reference Document* (Central Reference Document). There has also been periodic consultation with the original architects. This consultation respects the moral rights of the architects, and also seeks their views about design integrity. It is noted that the original architects have not always been in full agreement with development proposals prepared by other firms. Nevertheless, the consultation process continues and is generally constructive. DPS also engages the original architects on a commercial basis from time to time.

Furthermore, early in the life of the building, various indicators were established and are measured on a regular basis to ensure that the original design intent of Parliament House is maintained for the building and its surrounds. These measures include:

- design integrity index;
- building condition index;
- landscape condition index; and
- engineering condition index.

These indicators continue to be measured annually, with results reported in the DPS Annual Report. Results fluctuate from year to year, but have generally been in the target range; however, we note a significant decline in the quality of the landscape as a result of the extended period of drought conditions in Canberra.

- **Cultural and heritage collections**—DPS and its predecessors are the stewards of an important set of cultural and heritage assets which include:
 - (a) Rotational art collection;
 - (b) Architectural commissions (which comprise artworks commissioned during the design of the building, including some furniture);
 - (c) Historic Memorials Collection;
 - (d) Official Gift Collection;
 - (e) Constitutional documents; and
 - (f) Archive materials.

These collections had a total value of some \$77.4 million at mid-2010, and are collectively referred to as the Parliament House Art Collection (**PHAC**).

A major review of the collection by Ms Betty Churcher AO in 2004 recommended a range of actions to protect and manage the collection. Since 2006-07, these recommendations and other improvements have been progressively implemented, including:

- Establishment of an ongoing Art Services section, staffed by permanent officers with extensive curatorial and collection management skills.
- Implementation of a new collection management system to provide a reliable database for the 5,000 articles in the collection, including acquisition dates, purchase price, physical location and other important information such as ownership and provenance.
- Establishment of robust policies for acquisition, management and de-accessioning artworks.
- Ongoing program of conservation work focussing on artworks most at risk and of higher financial value and/or significance.
- Greater focus on quality of exhibitions held in the Presiding Officers Exhibition Area.

The next priority for these cultural and heritage collections is to improve the storage facilities in the basement of Parliament House. The current facilities were not originally intended for art storage. A major upgrade of the storage facility is part of the capital works program for 2011-12 and 2012-13.

- **Other moveable items**—to date, DPS and the predecessor agencies have generally used a definition of cultural and heritage assets as set out in Finance Minister Orders. An extract of the current Order is set out below:

37.1 Heritage and cultural items must only be recognised as assets where they meet the asset definition and recognition criteria set out in AASB 116 or AASB 138.

37.2 Only assets that are primarily used for purposes that relate to their cultural, environmental or historical significance are to be accounted for as heritage and cultural assets.

37.51P Heritage and cultural items do not include structures constructed to assist with the display, transport or storage of the asset. For example, backdrops, hanging apparatus, storage racks or protective cases are not captured by the definition of a heritage or cultural asset unless the item has such value in its own right or is an integral part of the item. An example of an asset being an integral part of a heritage and cultural asset might be the original frame surrounding a painting that is classified as a heritage and cultural asset.

Asset Recognition Criteria

37.71G Not all heritage or cultural items will meet the accounting definition of assets despite having intrinsic heritage value. Only items that are useful to the entity in achieving its objectives and have a financial value that can be reliably measured are recognised as assets.

37.72G Where a heritage and cultural asset is irreplaceable and has no market price, it is unlikely that its value can be reliably measured.

Heritage and Cultural Items

37.73G The AAS contemplate indefinite useful lives for some assets and non-depreciation in circumstances where assets have indefinite useful lives.

37.74G Heritage and cultural assets are assets used for the community's benefit, and represent, in part, Australia's cultural and historic background. Generally such assets attract funding from the budget for preservation, curation and restoration activity, ensuring these assets remain part of Australia's heritage for as long as possible.

37.75G Heritage and cultural items are buildings, other structures, works of art, artefacts, collectables, historical treasures, nature reserves, national parks, or similar items, which are used for their cultural, environmental or historical significance. Heritage and cultural assets will generally be:

- *used for public exhibition, education or research; and/or*
- *protected, cared for and preserved.*

37.77G One example of an item subject to section 37.2 is buildings of historical interest that are used primarily to provide office accommodation. These should not be accounted for as heritage and cultural assets.

The assets included in the PHAC clearly fall within the definition at paragraph 37.2.

Notwithstanding that DPS complies with the requirements of the Finance Minister's Orders, it also recognises that other items around Parliament House may also have cultural, heritage or historic values even if they do not fit within the definition at *paragraph 37.2*.

DPS has initiated a process to survey the building to identify these other items.

The preliminary results of this survey are expected to be available by the end of August 2011.

- **Evolving heritage**—the heritage values which attach to Parliament House, are not simply those associated with a magnificent building design from the 1980s.

Over time, the people and events in and around Parliament House will generate heritage related items. As a result, even a modest piece of furniture (such as a lectern) or a modest room (such as a media room), may have future heritage significance.

The challenge is how to capture this evolving heritage.

Recognising that Parliament House is the working place of the Australian Parliament, the view of DPS is that the best way to preserve existing heritage, and to capture evolving heritage is to establish an appropriate heritage management framework, as set out below.

Proposed Heritage Management Framework

5 Since 2005 there has been growing recognition that heritage issues extend beyond the original building design and the PHAC. It is now recognised that heritage values may also attach to various events which occur in and around the building.

6 Over the last five to six years, work has been undertaken to develop an overarching heritage policy or strategy for Parliament House. The first version of this work was initiated in 2006, and resulted in multiple drafts of a strategy document, which essentially assumed Parliament House is owned or controlled by a Commonwealth agency (the Secretary of DPS). Consequently, the full powers of the heritage provisions of the *Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act)* were considered to be applicable to Parliament House, including the need to obtain approval from the Minister administering the EPBC Act for a wide range of development activities within and around the building.

7 This approval would have been in addition to the existing practice of obtaining approval from the National Capital Authority for any significant external changes to the building.

8 More recent legal advice has noted that in accordance with the *Parliamentary Precincts Act 1988*, Parliament House is under the control and management of the Presiding Officers. The same advice notes that the Presiding Officers are not Commonwealth agencies.

9 Based upon this advice, and after consulting with the Presiding Officers, DPS is now well advanced in the development of a heritage management framework for Parliament House. A copy of the draft Heritage Management Framework is at **Attachment C**. This framework reflects the responsibilities of the Presiding Officers to control and manage the Parliamentary Precincts. The Framework:

- (a) recognises and preserves the hierarchy of spaces within and around the building;
- (b) acknowledges that most of the major spaces have little tolerance for change, whereas other spaces (such as the basement) have a high tolerance for change; and
- (c) provides for a Heritage Advisory Board comprising officers from the three Parliamentary Service Departments. The Board would provide advice to the Presiding Officers about heritage matters. Importantly, the Board would request input to its processes from officers of the National Capital Authority, and from officers of the Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC).

10 DPS considers that the completion of this Heritage Management Framework, and the establishment of the associated Advisory Board, will provide an excellent basis for recognising heritage values, while still allowing the work of the Parliament to evolve over time.

11 DPS officers would value discussion with Senators about this approach to Heritage management.

Term of reference (c)—Asset management and disposal policies and practices.

1 Under the guidance of the Presiding Officers, DPS has stewardship of much of the infrastructure of Parliament House. The current book value of Parliament House and its contents is some \$2.3 billion.

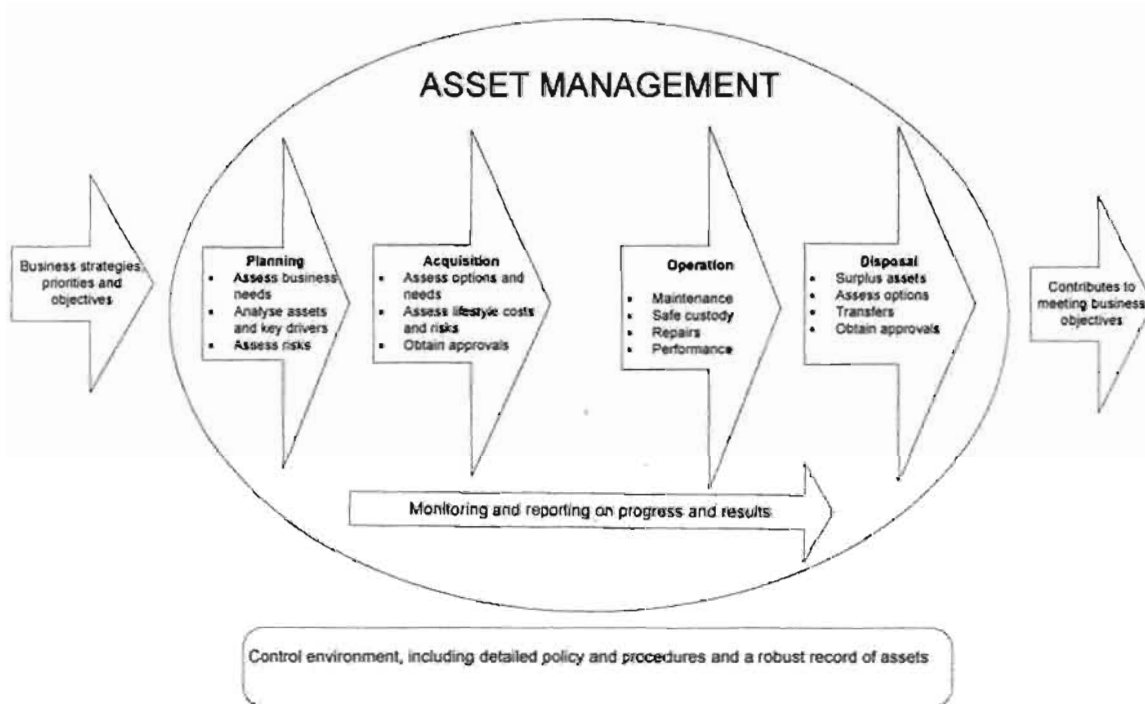
2 Effective asset management is a significant component of the responsibilities of DPS, and it is a role that we take very seriously.

3 While the underlying structure of Parliament House was designed and built to have a life of over 200 years, many components of the building and its contents will have a much shorter life cycle between renewals/replacement.

4 This includes relatively short life assets such as IT equipment and systems, and also medium-term equipment such as heating and cooling systems, as well as components of the electrical and hydraulic systems.

5 Accordingly, DPS actively practices all four components of the asset management life cycle, as set out in Fig 1 below.

Fig 1 Asset Management Cycle



Source: ANAO Audit Report No. 37 2005-06. *The Management of Infrastructure, Plant and Equipment Assets*

6 Within DPS the overarching policy for asset management is *Governance Paper No. 33—Caring for Parliament’s Assets (Attachment D)*, which establishes:

- asset management operational principles and practices; and
- asset investment prioritisation criteria.

7 This Governance Paper is based upon an organisational model for DPS in which:

- the identified Branches have “stewardship”, or custodianship, over categories of assets; and
- the Projects Branch has responsibility for detailed planning and delivery of asset upgrades.

8 Focussing specifically on the custodianship role, the Building Services Branch (BSB), for example, is custodian of the various assets required to deliver physical security services. These assets include:

- closed circuit TV cameras and management system; and
- Metal detectors and x-ray machines.

9 BSB has responsibility to ensure that these assets are maintained in good order. Moreover, BSB is expected to regularly review whether the assets are fit for purpose, or need to be upgraded or replaced.

10 Each year, DPS reviews the bids/proposals for upgrades and renewals, taking into consideration the criteria listed in Governance Paper No. 33, and the requirement to fund certain assets from Departmental funds, and other assets from Administered funds. This process also includes projects for which we have received new funding from government via the New Policy Proposal (NPP) process.

11 The program for each financial year is submitted to the Presiding Officers. Allowing for projects in progress and new projects, a typical program is likely to comprise more than 50 projects, ranging from various minor upgrades through to major IT and security works.

12 Once asset improvement/upgrade projects are approved, the major projects are managed by the DPS Projects Branch in partnership with the asset custodians, using a proven project management methodology called “Prince2” (**P**rojects **i**n **C**ontrolled **E**nvironments), and in accordance with Commonwealth Procurement Guidelines.

13 As at mid-2011, DPS is pleased with progress over the last three years in addressing a backlog of much delayed capital upgrades around Parliament House, while ensuring no disruptions to parliamentary proceedings. Furthermore, overall quality of asset maintenance still continues to be high, and we now have excellent systems in place to manage the PHAC.

14 However, we consider that the following asset management issues need to be addressed.

- **Firstly**, the purchasing power of our operating budget is steadily declining. This budget is used to provide day-by-day services, AND to maintain Parliamentary assets. Careful investment of capital funds can partially offset this decline in purchasing power of the operating budget, but we believe there will soon need to be a different approach to operational funding to prevent unacceptable deterioration of key assets leading to an unnecessarily early requirement for renewal.
- **Secondly**, it is clear that some further work is required to fully detail the heritage, cultural or historic values of various items in and around Parliament House which are not within the PHAC. As noted earlier, this work has started, and a preliminary survey is to be completed by the end of August 2011.
- **Thirdly**, while our disposal policies appear to be broadly comparable to those of similar institutions, the recent experience with the disposal of two billiard tables indicates that a comprehensive review of disposal policies and practices is required. This review will build on the current audit of the disposal of the billiard tables. The review is expected to be completed in September 2011.

Term of reference (d)—Resource agreements and/or memoranda of understanding for the provision of services within and by DPS.

1 Outlined below is background information about existing resource agreements or service level agreements, and some suggestions about mechanisms for improving future service delivery, notably reviewing standards within the Services Catalogue.

Existing resource/service agreements

2 Four significant resource agreements or service agreements have been operating reasonably successfully over recent years:

(a) DPS/AFP Security Services agreement - for over 20 years there has effectively been an agreement in place with the Australian Federal Police (AFP) to provide external perimeter security for Parliament House. Under this agreement DPS pays the AFP some \$10 million pa to provide the required services.

(b) DoFD/DPS IT Helpdesk agreement - under this agreement, DPS provides Help Desk services to assist Parliamentarians with their electorate office IT systems. This arrangement is expected to expire in the next two months as a result of the transfer of responsibilities for electorate office IT from DoFD to DPS. Under this agreement has been a payment from DoFD to DPS of some \$2 million pa.

(c) DPS /the Department of the House of Representatives (DHR) payroll services agreement - through which the DHR provides payroll services to DPS. DPS pays DHR for the agreed services.

(d) Resource agreement between the Secretary DPS and the Parliamentary Librarian - this agreement specifies the annual level of funding to be provided to the Parliamentary Library. Further details on the agreement are provided at **Attachment F**.

3 In addition to the above agreements with public sector agencies, DPS also has a range of "contracts for service" with commercial providers, including contracts for catering, cleaning, lift maintenance, telecommunications, IT services, painting and other services. Each of these contracts includes provision for payments for the specified services.

4 The key component in all of the above resource agreements is the notion that one party is the "purchaser" of some clearly defined services, and the other party is the "provider" of the services (in return for the payment of a fee).

5 *If, however, the institutional, financial or other matters do not allow for such a purchaser/provider arrangement, then an alternative approach to service level standards should be adopted. The preferred approach of DPS is set out below.*

Setting better standards for service delivery

6 As of mid-2011, the published service standards for DPS comprise two main components:

- (a) The **Services Catalogue** establishes the broad range of services available.
- (b) The annual **Portfolio Budget Statement** (PBS) specifies key outputs for each of the DPS programs.

7 DPS acknowledges that neither the Services Catalogue nor the PBS provides the fine detail of service standards which appear in many service level agreements.

8 However, for much of our service delivery, it is very difficult to identify a specific purchaser of the services.

9 *Accordingly, if budget constraints permit, our preferred approach to setting service standards would be via an expanded version of the current Service Catalogue. These rigorous standards would be applicable to all users of our services.*

10 For example, as of 2011, DPS is particularly interested in establishing more rigorous standards for delivery of IT services. This matter is further discussed under Term of Reference (f).

Term of reference (e)—An assessment of the efficiencies achieved following the amalgamation of the three former joint parliamentary service departments and any impact on the level and quality of service delivery.

1 As noted earlier in this submission, and in Attachment A, a significant pre-occupation for DPS has been to maintain an acceptable level of day-by-day service delivery, even though the purchasing power of our operating budget has declined significantly since DPS was created in 2004.

2 Specifically, in 2004, the operational appropriation for DPS was some \$101.4 million. It is now \$102.9 million—an increase in absolute terms of under 1%. Over this seven and a half years, CPI has increased by some 25%.

3 DPS has been able to manage within available funding levels over this period by instituting a range of savings or efficiency measures, a number of which are detailed in Attachment A. In implementing these measures we have aimed to minimise adverse affects on service to Parliament or service to parliamentarians.

4 Given that salary costs are more than 60% of our budget, reductions in staff numbers have been inevitable. In 2004, the newly combined entity had some 895 staff on a full time equivalent (FTE) basis. As at June 2011 this number had reduced to around 730 FTE.

5 There are four primary mechanisms for assessing whether this decline in purchasing power is affecting level and quality of service delivery:

- **Delivery against PBS targets**—a review of annual reports indicates that, in general, DPS has been able to meet the various targets established in the annual Portfolio Budget Statements, which are published as part of the annual budget.
- **Customer surveys**—comprehensive surveys were conducted in 2007 and 2009. The comparative results are included at **Attachment E**.

Overall, the figures suggest improvement in most indicators between 2007 and 2009, while still acknowledging concerns about catering, functions, cleaning, environmental advice and project management. Improved project management has been a high priority over the last three years, and is discussed elsewhere in this submission. The next survey is scheduled for 2011-12.

- **Condition of Assets**—The key building quality indicators are:
 - Design Integrity Index;
 - Building Condition Index;
 - Engineering Systems Condition Index; and
 - Landscape Condition Index.

The year by year results for 2003-04 to 2009-10 are listed in Table '1' below.

Table 1. Key Building Quality Indicators

	2003-04	2004-05	2005-06	2006-07	2007-08	2009-10	2010-11*
Design Integrity Index	90.7	90.7	91	90.5	91.8	91.2	N/A
Building Condition Index	90	89.7	89.1	89.3	89.2	88.9	88.3
Engineering Systems Condition Index	90	89	88.7	90	89.1	88.2	N/A
Landscape Condition Index	85	87	89	83	75	78	79

*Indicators for Design Integrity Index and Engineering Systems Condition Index for 2010-11 yet to be completed.

The first three indices continue to be close to target levels, although they are slightly declining. In contrast, the Landscape Condition Index has experienced significant decline, largely as a result of the severe drought conditions in Canberra for 2001 through to late 2010.

- **Anecdotal Comments**—DPS acknowledges that anecdotal comments are difficult to quantify. Nevertheless, our sense is that the growing concern of parliamentarians, their staff, and of the Chamber Departments is about the adequacy of the IT services.

In part, we acknowledge that some of these concerns about IT services relate to our constrained budget situation, and the desirability of rigorous standards. However, there are three further contributing factors:

- **Disjointed service delivery**—notably the split which has been in place between Electorate Office IT services, and Parliament House services.
- **Emerging new technologies**—which parliamentarians wish to use, but for which there may not be funding.
- **IT security concerns**—these concerns have required a major diversion of DPS resources since the beginning of 2010, and have also meant that DPS and DoFD officers have been very cautious in considering new technologies.

6 Overall, since 2004, DPS considers that its officers have delivered a good quality of service, albeit that service levels have been constrained because of the declining purchasing power of the budget.

7 Looking to the future, DPS would prefer to adopt a different funding model, which:

- allows for fluctuating parliamentary workload, as proposed to the Joint Committee on Public Accounts and Audit in 2008;
- recognises the growing demand for IT services;
- offers some choice to Senators and Members about the IT equipment they use; and
- allows for adequate long-term maintenance and preservation of the assets of Parliament.

Term of reference (f)—The efficient use, management and delivery of information technology services and equipment.

1 Effective IT services are vital to:

- enable individual Senators and Members to operate effectively in Parliament House, in their electorates, and “on the road”;
- assist the Chamber Departments and DPS to support the work of the Parliament;
- assist with the management of Parliament House as a place of work for up to 3,500 people, and a place of visitation for some 2,500 people per day; and
- provide access to information about the workings of parliament to members of the public, including public servants, the media and educational institutions.

2 Set out below, we have provided the DPS perspective on the current operating context and the current institutional arrangements and resourcing. Finally, we identify some key challenges and suggested responses.

Operating Context for Parliamentary IT services

3 There are four key components to the operating context:

- 3.1 **Parliamentarians** are extremely busy, and have high expectations that state-of-the-art IT services will help them to do their job in Parliament House, in their electorate or State, and on the road.
- 3.2 **Parliamentary Service Departments** rely on IT services to support day-by-day service delivery, AND to reduce long term costs.
- 3.3 **Emerging new technologies**—continually stimulate demand from customers for new services, and mean that the life cycle for IT assets is relatively short, ranging from around 4 years up to 10 years.

This requires regular review and reinvestment.

- 3.4 **Information security threats**—are very real. Effective response requires considerable resources from IT system managers, and will impose some limits on users about the way they use IT services.

Parliamentary IT services—the current arrangements and resourcing

4 The Parliamentary Computing Network (PCN) has the following key features:

- 1) **Clients**—there are around 4,300 clients, including all parliamentarians and their staff, and the staff of all three Parliamentary Service Departments. Note, however, that Ministers and their staff primarily use the relevant portfolio IT systems, and (mostly) only use the PCN intermittently.

2) Services—the PCN provides the full range of desk-top services, and also hosts significant applications to:

- (a) support the day-by-day work of the parliament (such as the Table Office systems, Hansard Production System, broadcast camera management system, and archive systems for Hansard and broadcast records);
- (b) provide information to parliamentarians, notably from the Library and Chamber Departments;
- (c) provide information to the Australian community, notably through the Parliament House website;
- (d) manage Finance, HR, procurement for each Department; and
- (e) support some operations of the building, including security systems.

There is also a separate Building Management IT System (BMS), which supports some aspects of building operations, such as heating and cooling systems. DPS is currently assessing whether it is desirable to maintain the BMS as a separate system.

3) Organisational responsibilities

- The Department of the Senate and the Department of the House of Representatives provide desktop equipment for parliamentarians in their Parliament House suites.
- DPS is responsible for the central spine of the PCN within Parliament House, including servers, switches, cabling, and most application development and maintenance. DPS has primary responsibility for IT security, and provides the 2020 Helpdesk. DPS also provides desktop services for its own staff.
- The Department of Finance and Deregulation has had responsibility for provision of IT equipment and desktop applications for Electorate Offices. This function is in the process of being transferred to DPS. At this stage we expect the transfer will be completed in August/September 2011.

DPS is actively encouraging the completion of the Electorate Office IT transfer from DoFD, not least because it will:

- (a) simplify support of our clients; and
- (b) allow us to provide greater consistency in services in Parliament House AND in Electorate Offices including, for example, common docking stations for laptops.

4) Resources employed—IT services are provided through a combination of in-house staff, and commercial providers of equipment and applications.

For 2010-11, DPS had an operating budget for ICT services of \$22.3 m (refer 2010-11 PBS).

DPS also invests significant capital funds in IT-related equipment. Some of the larger investments are listed below:

- new Hansard Production System, cost \$5.2 million.
- new CCTV management system, cost \$7.3 million.
- new ICT network for Parliament House, cost \$15.7 million.

The average ICT staffing level for DPS was some 100 officers through 2010-11.

Key commercial providers for DPS include Microsoft, SAP, Honeywell, Integ, IBM and Hewlett Packard

For DoFD, we understand their in-house staffing level is a modest five to six FTE, but they service Electorate Offices through commercial service agencies based in the various capital cities.

A further important component of the services provided by DoFD is the telecommunications links to Electorate Offices. Over recent years, the largest of these contracts has been held by Optus. Allowing for telecommunication links, we understand the total expenditure by DoFD has been around \$13 to \$14 million pa.

The ICT resources of the two Chamber Departments are smaller than for DPS. Information on these resources would be best supplied directly from the Chamber Departments.

Objectives for ICT service delivery for the Australian Parliament

5 DPS has previously proposed to the Presiding Officers that ICT for the Parliament should have the following three objectives:

1) *To provide ICT services to:*

- *Parliamentarians and their staff*
- *Parliamentary Service staff*

and information systems to support the operations of the Parliament and Parliament House.

2) *ICT services to parliamentarians and their staff should meet client needs while they are:*

- *working at Parliament House*
- *working in their electorate offices*
- *working elsewhere ("on the road/in the airport lounge" etc).*

3) *ICT services should:*

- *meet client needs*
- *be reliable and secure*
- *provide simple and prompt assistance/help mechanisms*
- *be cost effective*
- *be regularly updated and modernised as new technologies emerge.*

Key Challenges

6 In responding to Term of Reference (f), and given the proposed Objectives set out above, DPS has identified three specific challenges:

1) Information security—various forms of attack on IT systems are now occurring on a regular basis, and include attempts at:

- service disruption; and
- covert data mining.

The attacks range from relatively unsophisticated and amateur, through to extremely sophisticated.

Since the beginning of 2010, DPS has been actively responding to IT security concerns, and is receiving assistance from Government agencies. However, the major focus on this issue within DPS has necessarily meant that some aspects of service delivery have had a lower priority.

The strong view of DPS is that future models for ICT services to Parliament need to provide adequate funding to ensure security, while still providing innovative and responsive services to parliamentarians and to the Parliamentary Service.

2) Service levels—given the history of the DPS funding (which has been discussed under other Terms of Reference of this Inquiry), as well as the diversion of resources to IT security matters, we consider that we provide a credible level of service to our clients. Over the last two years we have also been able to improve components of the service, including the introduction of wireless connectivity for IT services through most of Parliament House, and the new service to connect iPad and iPhone devices to the network.

Nevertheless, recognising the feedback from customer surveys and anecdotal advice from Senators, Members and their staff, DPS aspires to provide a higher level of service. *DPS proposes that higher standards be included in an expanded version of our services catalogue.*

Key to facilitating this set of higher standards is the transfer of Electorate Office IT to DPS. This transfer will achieve greater continuity in service, and (over time) may generate some savings that DPS would reinvest in upgraded service standards.

However, given the understandable expectations of parliamentarians and other users of the PCN, DPS considers that a major "step-up" in service levels (including the provision of new products) will require significant additional investment.

3) Future Institutional Arrangements—the ICT service delivery model has evolved over time, and the imminent transfer of Electorate Office IT to DPS will undoubtedly remove a level of uncertainty for clients.

DPS considers that a set of institutional arrangements in which DPS provides the backbone of the services (including those to Electorate Offices), while the Chamber Departments provide services in Parliamentary suites can work effectively.

We do, however, note that other service delivery models do exist. For example:

- (a) **USA**—the US Congress has two separate systems, one for the Senate and one for the House of Representatives. Both systems provide an end-to-end service for each Senator or Representative and their staff. This service includes security systems. If implemented this approach would require significant extra funding.
- (b) **UK**—the UK Parliament now has its ICT services provided by a single agency called Parliamentary Information and Communication Technology (PICT). PICT is accountable to both Houses, and provides all the IT services to parliamentarians and to parliamentary staff.
- (c) **Canada**—We are advised that the main network is provided by the House of Commons, and that the Senate connects to this network. We understand that each Chamber has help desk services, and that a further difference from Australia is that electorate office IT is funded by the Parliament, but the actual systems and communication systems are purchased by individual members. Apparently, this allows each member to have an electorate office system tailored to their needs, but has led to concerns about service reliability.

DPS officers would be pleased to discuss with the Committee the perceived advantages and disadvantages of these various models.

DPS has also considered whether there are benefits in changing the "operating mix" of public sector staff and contractors. We note that over the years there have been initiatives from many public and private sector organisations to fully outsource IT services.

The outsourcing approach has had mixed success. In the short run, there have frequently been operating savings, but changes to required service levels, or changes to technologies have led to sometimes lengthy contractual disputes.

At this stage (and regardless of whether there are other changes to the service delivery model), our preference is for public sector IT professionals to manage the central core services, and rely on contractors for specific services and equipment. This is consistent with practice in Washington, London and Ottawa.

Attachments

- A About DPS
- B Letter to Senate Committee
- C Draft Heritage Management Framework
- D Governance Paper No. 33—Caring for Parliament’s Assets
- E Customer survey summary results
- F Overview of Parliamentary Library Resource Agreement