



**PARLIAMENT OF AUSTRALIA**

*Speaker of the House of Representatives*

*President of the Senate*

27 November 2014

Senator Cory Bernardi  
Chair  
Senate Finance and Public Administration Legislation Committee  
Parliament House  
Canberra ACT 2600

Dear Senator Bernardi,

We are writing in relation to the Senate Finance and Public Administration Legislation Committee's inquiry into the Department of Parliamentary Services (DPS).

The role of the Presiding Officers in respect of DPS is similar to that of a Minister overseeing a department of state. The Department is accountable to the Presiding Officers through its Secretary, Ms Carol Mills.

This is the second inquiry by the Committee into DPS in recent years. Indeed, the second anniversary of the completion of the first inquiry will occur on 28 November. From our perspective, this is an opportunity to reflect on whether the changes within DPS are helping the Department to more effectively support the Parliament and parliamentarians.

By June of 2011 sufficient doubt existed, about the capability of DPS to effectively serve the Parliament and parliamentarians, to prompt an inquiry by the Senate Finance and Public Administration Legislation Committee. The question in our minds then is not whether change has occurred, for we believe that it has, but whether that change has been sufficient and is being sustained. DPS, while a small agency, nonetheless employed 822 people as at 30 June 2014. Thus any change process, particularly one trying to reform workplace culture, will require considerable effort maintained over time.

The current Secretary, Ms Carol Mills, was appointed in May, 2012. Over the past two years Ms Mills has reorganised the Department, developing coherent units and building the Department's executive capability. This has resulted in an almost completely new senior management team.

The Building, Asset Management and Security Division is headed up by Neil Skill who was appointed in January 2014. The three key operational areas - the Strategic Asset Planning and Performance Branch is led by Gary Gordon who was appointed in October 2013, the Security Branch led by Erin Noordeloos who was appointed in September 2014 and the Asset Development and Maintenance Branch which was headed up over the past year by Graham McDonald. Mr McDonald left in September 2014 and his replacement has been selected and will start in the near future.

The team has addressed the major strategic issue facing Parliament House, its declining condition, through mounting a successful NPP for funds to carry out an assessment of the building's condition. This assessment is almost complete and will form the basis for future NPPs seeking significant funding over the coming decade to address the deficiencies in the building. We will be reporting to the Parliament about this matter in the first half of 2015 in line with the Presiding Officers' acceptance of recommendation 13 in the first inquiry's report.

Recruitment of the new team has improved leadership and management capability in this area for building maintenance and development as shown by the successful NPP and, more importantly, implementation of the building condition assessment. However, we acknowledge that further work needs to be done on quick and effective implementation of decisions by the Presiding Officers. For example, the delay in implementing the Presiding Officers' decision to introduce paid parking to the public car parking area has highlighted the need for a more effective project management capability in the division.

Notwithstanding the experience with the public car park, the Department's project management capability has been comprehensively restructured in the past five months. The team now contains expertise to obtain and manage external project management skills matched to the individual projects underway at any particular time. All projects in existence as at 1 July were stopped and reviewed to ensure they were being effectively and efficiently managed. This capability development in the building and asset management division places the parliamentary administration in a good place to implement the agreed outcomes arising from consideration of the building condition assessment report and the additional works required to more effectively secure Parliament House.

The information and communications technology area has seen considerable change over the past two years as the Department has taken on additional responsibility for the delivery of ICT services to parliamentarians in Parliament House and in electorate and Commonwealth Parliamentary Offices throughout Australia. Eija Seittenranta was appointed Chief Information Officer in October 2012 and is assisted by Steve McCauley who was appointed in April 2013 to lead the ICT Infrastructure Services Branch

and Lou Nulley who was appointed in August 2013 to lead the ICT Strategy, Planning and Applications Branch.

This team, in conjunction with the Chamber departments and the Department of Finance, has implemented the recommendations from the Roche Report, which dealt with parliamentary ICT arrangements, and most importantly the development of the ICT Strategic Plan 2013-18 together with the establishment of stakeholder engagement arrangements. These developments alongside the creation of a 'one stop shop', a more flexible entitlement model and an effective support operation (2020) have been seen by colleagues as major steps in improving ICT related services.

The ICT team have built the capability necessary to underpin the new model of ICT provision. This work provides a solid foundation upon which to consider further developments. Such things could include considering how to best manage and support telephone connections in Parliament House and electorate offices through to a strong and standard method for document management across the Parliament. However any such developments need to be built on the sound technical and strategic base created by the CIO and her division.

Karen Greening was appointed in February 2011 to head up the Parliamentary Recording and Reporting Branch. This branch experiences varying workloads across the parliamentary year. Thus a mix of permanent, part-time and sessional employment arrangements enable the most effective deployment of staff time while minimising the amounts of time for which there is minimal work.

In relation to Hansard, the adoption of risk management approaches to checking pinks and greens seems an appropriate management strategy designed to maximise timely throughput without giving rise to a significant increase in errors. Completion of training by the current group of trainees will ease this situation. We are particularly pleased with the enhanced levels of cooperation that now exist between Hansard and the chamber Table Offices. The introduction of the Hansard Forum in 2014 is a worthwhile mechanism providing a voice for the editors particularly in terms of how to further improve services.

There has been considerable discussion of staff morale within Hansard. Morale can be affected by a range of factors. Certainly Hansard staff should have no misunderstanding about the recognition by the Presiding Officers of the critical work they undertake for the Parliament. However, no area of the parliamentary administration can be immune from the need to look, from time to time, at their work processes in an effort to improve productivity and effectiveness. For example, the use of project work during non-sitting periods can be a very useful way of improving effectiveness and we look forward to the results of the planned review of the Hansard Correction Policy.

We nonetheless are concerned about the level of active stakeholder engagement by Hansard management and have asked that the Assistant Secretary arrange to speak with each Member of Parliament who wishes to engage during the life of each parliament. We are also considering whether a Hansard Users Group, modelled on the ICT users group, might be a valuable addition to engagement mechanisms.

No comment on this area would be complete without our recording our appreciation to the broadcasting staff. The introduction of ParlView is a welcome addition to the services offered by the Parliamentary Recording and Reporting Branch.

Budget sustainability has been a huge challenge for both the Department and the Presiding Officers. Serious budget restrictions have impeded the Department's ability to progress major items of work, and have also had a detrimental impact on business as usual functions. This issue was highlighted by the then Presiding Officers in a letter to the Committee in September 2011. The Presiding Officers, together with the Secretary and her team, were successful in demonstrating to government the need for additional funding to support the Parliament with increases made to the DPS operating budget in the May 2014 Budget and for the following three financial years.

We emphasise though that this budget supplementation, while very welcome and most necessary, addresses the effect over the past decade of cuts through efficiency dividends in an environment where the then management did not put in place efficiency improvements that might have allowed the Department to manage with fewer resources. These additional resources enable DPS to continue the redevelopment and capability improvement process. However, they are not sufficient to address the larger service development issues such as the replacement of the Parliament House telephone system and its integration with our electorate offices or the implementation of a Parliament wide document management system that would make it easier for us, our staff and the public to access appropriate elements of parliamentary documents.

Improving the Department's ability to effectively manage its assets and finances has been a key area for work over the past two years. The Department has re-implemented the SAP finance package and is introducing an integrated human resources management package. The finance elements and an e-recruitment module went live from the beginning of the current financial year and the human resources elements are expected to be implemented in the first quarter of 2015. The use of external consultants has been key to moving this program along and providing a solid base upon which to manage the Department's finances and human resources effectively. The renovation of the finance area is ongoing however the recent appointment of Ben Wright as Chief Financial Officer is another milestone in ensuring that the Department is well placed to effectively manage its assets and finances.

A significant opportunity in front of us is the expiry of a range of the licenses and leases including those relating to most of the Press Gallery and some of the commercial services within Parliament House. The current Secretary inherited an appalling group of licenses and leases. They appeared to have been negotiated in an ad hoc manner with insufficient care about value for money for the Commonwealth or the way in which the contracts could be managed to achieve the outcomes required. We are taking a very active interest in all license and contract renegotiations.

The current management team under Ms Mills' leadership have done what could be done in terms of short term fixes. However we are now seeing the advantages of executive renewal in the professional approach to preparing for the renegotiation of many of these licenses and leases which will occur progressively over the next few years. Nonetheless, the handling of the licence renewal for the Childcare Centre by the Department in July this year demonstrates that the reform process is incomplete. Whilst the Department was subsequently able to conduct a successful tender process and find a new operator for the Childcare Centre, this example indicates that some sections of DPS are still not paying sufficient attention to serving stakeholders.

The Parliamentary Library continues to provide highly valued services across the parliament. Their adaption to and adoption of new technologies to extend the information services available to parliamentarians is much appreciated by our colleagues as is the professional provision of research services. The Parliamentary Librarian, Diane Heriot appointed in May 2012 and her executive team Jonathan Curtis managing Research Branch, appointed in December 2012 and Liz Luchetti managing Information Access Branch, appointed August 2012 have maintained high standards of service provision and the independence of the Library within the Department in the way envisaged at the time of the creation of DPS.

The Department of Parliamentary Services is one of four departments supporting parliament and parliamentarians. Key to improving future service delivery is raising the effectiveness with which DPS works with the chamber departments. In the light of recent developments we acknowledge that significant work will need to take place in this space and we are paying attention to ways of improving cooperation.

Improving cooperation cannot be a one way street. Everyone in the three agencies needs to realise, if they have not already, that they all serve the same group of stakeholders. While staff may be organised in three different departments we are not interested in boundary disputes but rather effective services that enable us, and our colleagues, to undertake our duties in the most efficient and effective way possible. In addition, we want to see services provided in the most cost effective manner possible.

In line with this view we will continue in the year ahead to play a very active role in oversight of the department. We meet weekly with DPS management to deal with the implementation challenges we have identified above. The security enhancements project that is about to begin will also see us working closely with the Department throughout this implementation process.

We want to put on record our ongoing appreciation for the work of all employees of DPS. Employees in every area of the Department from parliamentary reporting and broadcasting, building operations and maintenance, the Library collection and research areas, parliamentary experience, corporate services and the parliamentary security functions have contributed to the rebuilding of DPS and in the process to improving the quality of support available to the parliament and parliamentarians.

If it would assist the Committee's consideration of the matters referred to in the terms of reference for this inquiry, the President would be pleased to appear before the Committee.

Yours sincerely

THE HON BRONWYN BISHOP MP

SENATOR THE HON STEPHEN PARRY