

I refer to the Committee's terms of reference and advise that I would like to submit for consideration some information relating to items (b) and (c).

In offering the following information for the Committee's consideration I in no way wish to put myself or the former JHD on a pedestal or claim that I or the Department always got it right. We made mistakes while we established our stewardship of the new Parliament House. However, once we hit our stride, I do believe that JHD was at the forefront in some very important aspects relating to the management of a national contemporary heritage building.

#### **Response to the terms of reference -**

##### **(b) Policies and practices followed by DPS for the management of the heritage values of Parliament House and its contents**

Parliament House is indisputably a building of national significance. In recognition of this the final 'Developed Design' was voted on and agreed to by both the Houses of Parliament. In addition the Joint Standing Committee on the New Parliament House (JSCNPH) spent many years being briefed on and approving the overall design parameters and characteristics of the building. The 'Developed Design' is therefore not something that should be taken lightly.

Soon after occupation of the building, the Parliament's works and maintenance authority – the then Joint House Department (JHD), was subjected to requests from Ministers, Presiding Officers, Members of Parliament and other Parliamentary Departments for changes to be made to the building.

The degree and extent of such changes covered everything from major changes to the building through to small changes to the décor and furnishings in the building.

The JHD was well aware of the Parliament's imprimatur of the 'Developed Design' for the building and the work undertaken by the JSCNPH because I was for the period 1983-1986, the Senior Advisor to the President of the Senate who was the co-chair of the JSCNPH with the Speaker of the House of Representatives.

To the best of my recollection the following sets out the sequence of events that followed to preserve the heritage and design integrity of this building of national significance.

In the first instance, JHD created a position of Design Integrity Officer within its structure to liaise with the building's architects (MGT) to provide guidance and oversight to proposed changes to the building, its furniture and fittings. A number of years later as the original architects involvement was diminishing and

before their knowledge of the building was lost, JHD commissioned Ms P Berg of MGT to research and prepare a series of papers covering all aspects of the Parliament House design which eventually became the work entitled 'The Architect's Design Intent for Parliament House Canberra: Central Reference Document'. The intent was for this document to govern the approach to proposed changes to and within the building to ensure as far as possible that the original 'Developed Design' agreed to by the Parliament was maintained.

JHD did not want Parliament House to go the way of many other great buildings where original design concepts which very much establish the overall building character are forgotten and changes are made according to the whims of the time. Eventually it seems to be that when a building requires major refurbishment because of the ravages of time considerable extra expense is incurred as people realise the beauty or symbolism of the original design and seek to have the elements of the original design reinstated. There are many examples of this having occurred throughout the world.

I assure the Committee that a 'Design Integrity' process does not preclude necessary changes to the building, its furniture or finishes necessitated by the evolving development of the Parliament and its administration. It simply provides the information and framework within which appropriate decisions can be made.

I believe it is important that the design integrity process implemented by the JHD is continued by the DPS in order that the overall design concepts of Parliament House are not substantially degraded over time. Parliament House is not just another multi-purpose building – it is a very special building, with a very detailed ethos encompassing architectural design, furniture, fittings, artworks, and landscape - one of the most completely developed designs for a building in the world.

In conclusion, I raise one further issue with the Committee in relation to design integrity and that is, is it sufficient to allow the maintenance of the design integrity of Parliament House to be left solely within the control of a part of the parliamentary administration, currently the DPS? Works need to proceed both in a regulated but also timely manner. I urge the Committee to suggest to the Senate that parties such as DPS, a representative of the Presiding Officers, the original partners of MGT, a noted heritage architect and representatives of other appropriate bodies be called together to develop an efficient and effective method of considering design integrity issues in the building which does not unduly delay necessary works to accommodate the changing needs of the Parliament.

### **(c) Asset management and disposal policies and practices**

I understand that the issue that brought this matter to the Committee's attention was related to the disposal of snooker/billiard tables and perhaps this reference is intended to only relate to 'furniture and fittings issues' asset management.

However, if the Committee is looking at the 'bigger picture' of the asset management of Parliament House as a whole. I offer the following information on the long term view of asset management put in place by JHD to ensure the proper functioning of Parliament House over its design life of 200 years.

JHD's policy was to consider Parliament House as the 'head office' of Australian democracy and to ensure the building, its engineering assets, furniture, fittings, artworks and landscape remain in excellent condition.

This meant that you could not allow things to deteriorate to any great extent or the task to return them to the required standard would be too disruptive to the ongoing operations of the occupants of the building. Parliament House is not like a hospital, another 24/7 building, where at least you close down a ward or a wing in order to undertake asset maintenance. There is not this luxury at Parliament House and therefore JHD brought in a regime of preventative maintenance and set itself the standard of maintaining Parliament House and its assets at a level of 90% of new. In order to assess its achievements in this regard JHD

engaged on an annual basis a building consultant who familiarised himself with the building, design integrity principles, furniture, fittings, finishes, landscape etc and who audited the Department's performance in asset management.

In order to meet the high standard it had set the Department realised the provision of maintenance funds from the Department of Finance in the usual measure would not meet its needs. It therefore in conjunction with a building consultant looked at the fabric of the building, the engineering components of the building and a number of other aspects, and worked out what work/replacement would be required over the 200 year design life of the building, and the ups and downs that would occur over that period in relation to funding requirements. For example, the first 20 years or so of the building's life would require little in the way of major engineering change. But between years 20-30 after occupation, major plant would require replacement and substantial funding.

This 200 year plan was then broken down into a 3 or 5 year plan to meet Department of Finance budgetary requirements and a resource agreement was struck between JHD and the Department of Finance which reflected that plan.

At the time the Department of Finance advised it was the most detailed and comprehensive asset management plan for a building that they had received.

I would hope that this approach and good policy outcome for the Parliament and its building is still being pursued by the DPS because if it is not and there is a reduction in the overall quality in the asset management of Parliament House then the service outcomes provided by DPS to the Parliament will deteriorate in the future as the building ages.

I have extracted from a presentation I gave in, I think, late 2003 on 'Managing Parliament House' my notes on the issue of 'Asset Management - Funding Requirements' (see Attachment). The top part of the page is the overhead shown to the audience while the lower part contains my talking points.

## **Conclusion**

It was a privilege to serve the Parliament as Secretary of the JHD for over 16 years.

I believe the JHD left a substantial legacy for the DPS which I hope the outcome of the Committee's inquiry will further strengthen.

Mike Bolton

## **Standing of the author of the submission -**

Secretary of the Joint House Department (JHD), Parliament House, Canberra during the period 1986-2004 and responsible for the provision of many of the services to the Parliament that are now provided by the DPS.



## Asset Management —Funding Requirements

- 200+-year life expectancy
- Different asset systems — different life cycles
- Timely asset replacement to ensure all parts of the building and its services continue to meet high standards



c) The third major initiative is **how to fund refurbishment and upgrades** of Parliament House over its 200+ years of existence.

- Parliament House has a 200+-year life expectancy
- Different asset systems within the building have different life cycles
- Assets must be replaced in time to ensure that all parts of the building and its services continue to meet high standard.



## Asset Management—Major Asset Systems



- Each asset category is comprised of many asset systems.
- An asset system is a group of components that inter-relate.



## Asset Management—Major Asset Systems (cont)

### Fixtures & Fittings

- Built in furniture
- Light fittings
- Work stations
- Computers
- Drinking fountains
- Photo copiers
- Signage
- White boards

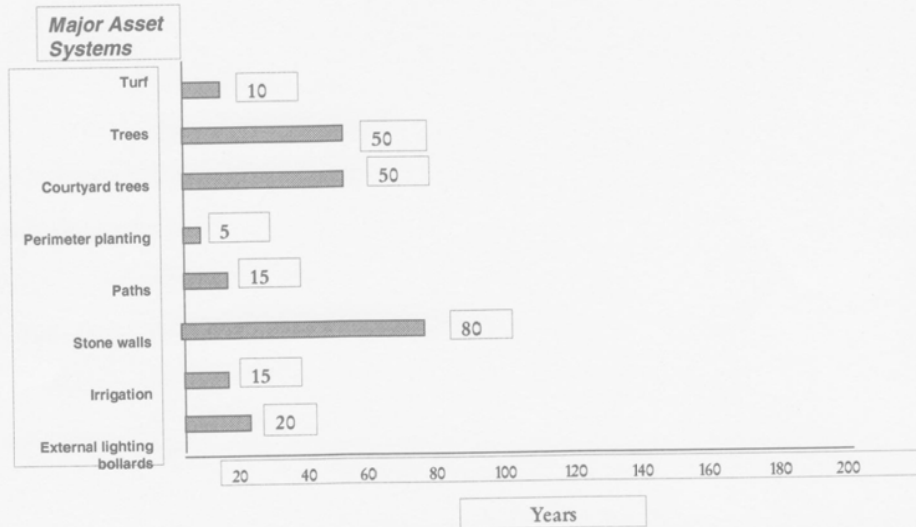
### Site Improvements

- Landscaping
- Paths & paving
- Roads
- Lighting (street and bollards)
- Water features
- Underground services





## Asset Management Life Span of the Site Improvements



Stone walls could have a life expectancy of 80 years.

All other site improvements will be replaced many times over.

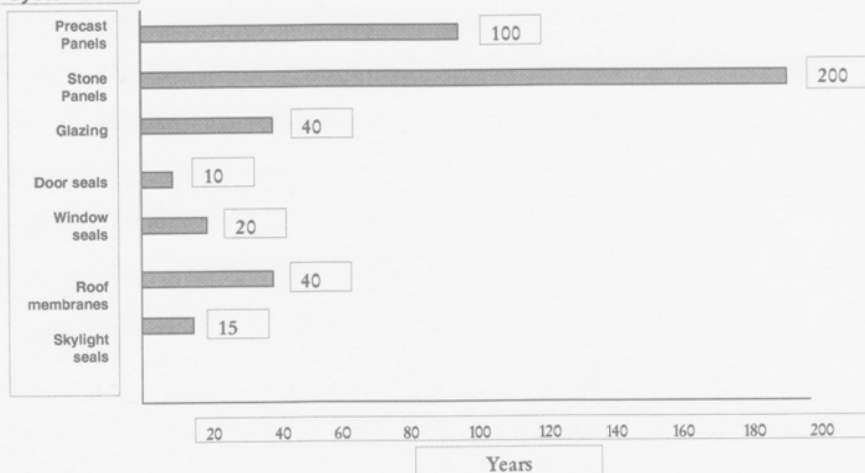
Replacing turf will be unsightly and will have a visual impact on the facility.



# Asset Management

## Life Span of the Envelope

### Major Asset Systems

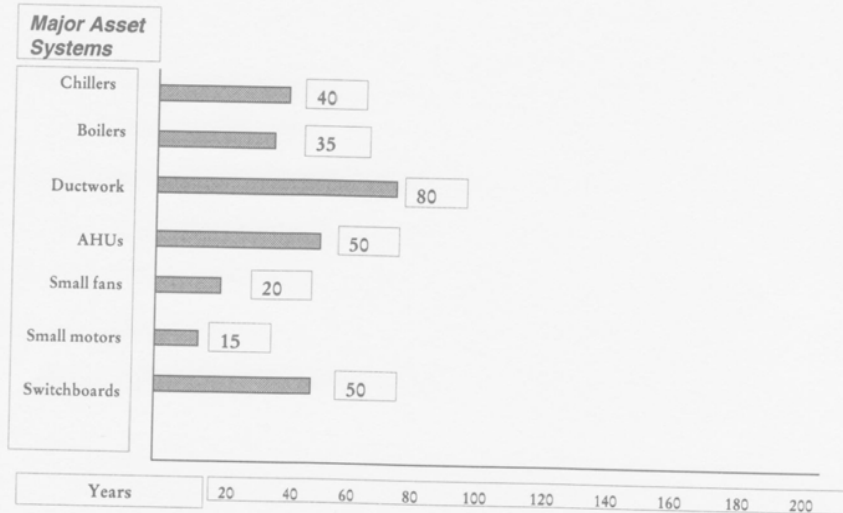






# Asset Management

## Life Span of the Services





## Asset Management—Replacement Values

- A funding model
- Total cost of all replacements over 200-year functional life of Parliament House will be True Life Cycle cost of Parliament House
- Depreciation funding must reflect true cost



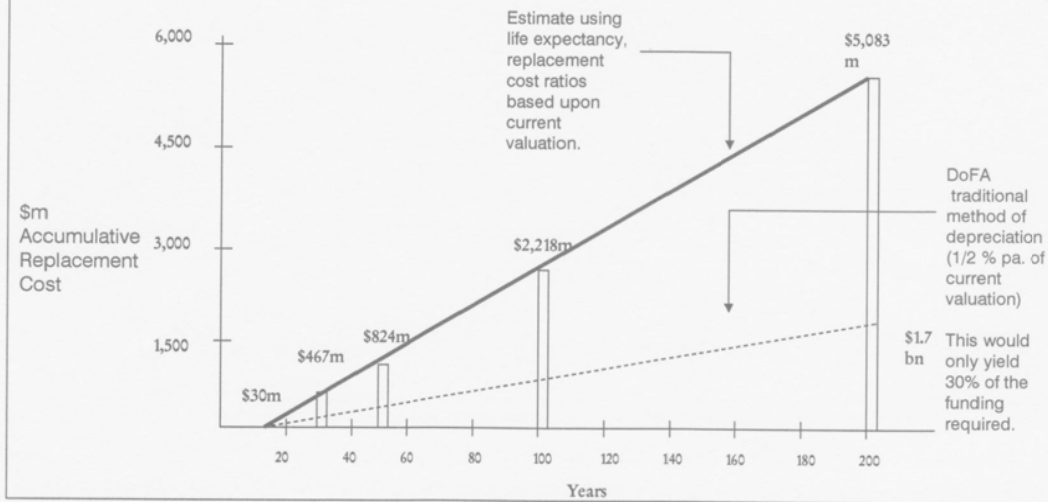
## Replacement Values

- A funding model was designed based on these findings
- A total cost of all these replacements over the 200-year functional life of Parliament House will be the True Life Cycle cost of Parliament House
- The Depreciation funding must reflect that true cost—NOT the previous government model of depreciation funding of 1–1.5% of the AVO value of the building (\$1.7 billion)
- This model has now been accepted by DoFA for other government bodies.



## Asset Management

### Long Term Funding Requirement

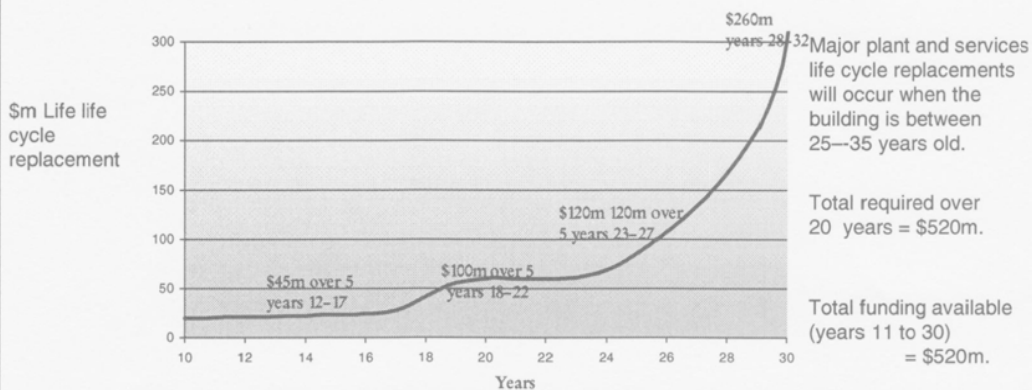


The 200-year life cost of Parliament House is estimated to be \$5.083 billion. This equates to \$25.4 million per annum.



# Asset Management

## 30-Year Strategic Plan



\$m Savings

\$90m

\$35m

\$15m

Savings of depreciation funding will be required to meet the 30 30-year spike.

JHD’s model required that over half of the \$25 million per year depreciation funds must be saved for the Year 30 peak (ie 25–30 years) in the asset replacement cycle.