

Chapter 5

Other matters

Introduction

5.1 In this chapter the committee sets out its consideration in relation to matters under the terms of reference and other issues which arose during the inquiry, namely:

- funding models for the Department of Parliamentary Services;
- the use of Parliament House as a commercial venue; and
- DPS' refusal to provide information to the committee.

Funding models for DPS

5.2 The committee's terms of reference include 'further consideration of budget-setting processes for the Parliament and the merits of distinguishing the operating costs of the parliamentary institution and such direct support services such as Hansard, Broadcasting and the Parliamentary Library, from the operations and maintenance of the parliamentary estate'.

5.3 The committee received no evidence on this term of reference, however the committee notes that funding models for the parliamentary departments have been considered in other forums.

Joint Committee on Public Accounts and Audit

5.4 In its 2012 report the committee referred to the 2008 inquiry by the Joint Committee of Public Accounts and Audit (JCPAA) into the efficiency dividend and particularly the JCPAA's deliberations regarding the effect of the efficiency dividend on parliamentary departments.

5.5 In a submission to the JCPAA's inquiry, the Department of the House of Representatives argued that the funding of parliamentary departments should be determined differently to government departments and agencies:

The Department [of the House of Representatives], together with the other parliamentary departments, supports the Parliament, a quite separate arm of the state from the executive government. It is completely unsatisfactory that the funding of the departments that support the Parliament is dictated by a model developed by the executive, with little capacity for the departments to negotiate additional funding.

...

The Department [of the House of Representatives] will propose that the Parliament needs to be treated differently to an agency of executive government and that the independence of the Parliament to be able to

influence its budgetary outcomes should be recognised in any funding model.¹

5.6 In its report, the JCPAA noted:

Canada, the United Kingdom and New Zealand readily accept the concept of the legislature independently maintaining control of its own staffing and funding. Such an arrangement has operated in Canada for the last 140 years. In Australia, however, the Executive continues to see the funds allocated in support of Parliament as within its jurisdiction – subject, of course, to parliamentary approval of the appropriations.²

5.7 The JCPAA recommended that '[t]he Government establish a parliamentary commission co-chaired by the Speaker of the House of Representatives and the President of the Senate and comprising elected representatives to recommend funding levels for the parliamentary departments in each Budget'.³

5.8 The government response 'noted' the JCPAA's recommendation for a parliamentary commission:

The Government considers it appropriate that decisions on the future funding for the parliamentary departments continue to be subject to the usual budgetary processes in which proposals for additional funding are considered against other competing priorities.

The Speaker of the House of Representatives and the President of the Senate are, of course, still able to put forward funding proposals in accordance with the budgetary rules and processes in place at the time. It is open to the Speaker and President to make arrangements to increase the input by elected representatives into such proposals as they see fit.⁴

Committee's previous inquiry

5.9 In correspondence to the committee during the previous inquiry the former President of the Senate, Senator the Hon John Hogg, stated 'it is now time to consider other funding models for DPS, possibly related to levels of Parliamentary activity in each financial year'.⁵

5.10 Similarly, DPS supported a model allowing for funding to fluctuate with parliamentary workload:

1 Department of the House of Representatives, *Submission 10*, p. 1, to the Joint Committee on Public Accounts and Audit in its inquiry into 'The efficiency dividend and small agencies'.

2 Joint Committee on Public Accounts and Audit, *The efficiency dividend and small agencies: Size does matter*, Report 413, December 2008, p. 28.

3 Joint Committee on Public Accounts and Audit, *The efficiency dividend and small agencies: Size does matter*, Report 413, December 2008, p. 29.

4 Government Response to Joint Committee on Public Accounts and Audit, *The efficiency dividend and small agencies: Size does matter*, Report 413, 4 February 2010, p. 2.

5 See Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services: Final Report*, November 2012, p. 187, quoting Senator the Hon John Hogg, President of the Senate, letter to the committee dated 13 September 2011.

DPS saw the advantages of this funding model as providing a base payment component which assumes a 'quiet' sitting year with extra payments for increasing levels of chamber and committee activity. This model would allow DPS to respond to peak demands in busy parliamentary years; establish rigorous service standards for key services such as IT; and ensure effective asset management.⁶

5.11 The committee also noted comments by the Clerk of the Senate, Dr Rosemary Laing, when asked about funding models which would provide greater autonomy for the financing of parliamentary departments. The Clerk referred to the Latimer House principles which were endorsed by all member nations of the Commonwealth:

Those principles include a best practice guideline that houses of parliament should have the autonomy to set their budgets using an all-party committee to determine and administer a budget of the house without amendment by the executive. That is a Commonwealth-wide best practice model.⁷

5.12 As discussed in Chapter 2, the committee's recommendation about oversight of DPS' funding and administration by the (then) Senate Appropriations and Staffing Committee and the House Appropriations and Administration Committee meeting jointly have not progressed.

Budget Estimates 2014-15

5.13 During the Budget Estimates hearings in May 2014, the committee again sought the views of the Clerk of the Senate on alternative ideas for funding parliamentary functions. The Clerk responded describing developments in relation to the Department of the Senate, noting milestones such as:

- the movement of parliamentary appropriations in to a separate appropriations bill in recognition that funding for the Parliament should be separate to the ordinary annual services of government; and
- the establishment of the Senate Appropriations and Staffing Committee which is the key mechanism for negotiating with the government about the Senate budget.⁸

5.14 However, the Clerk then noted:

That kind of framework does give a certain independence to the Department of the Senate in formulating its budget, but it is independence in name only because, once you get government-wide initiatives, then who cares if the parliament is a separate independent arm of government?—everybody is getting a cut; here it is. The most recent efficiency dividend, the extra 0.25 per cent, did not come from notification from the finance minister to the President; it came in an estimates memorandum circulated at officer level.

6 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services: Final Report*, November 2012, p. 187; see also submission by DPS to the committee's previous inquiry, *Submission 3*, Attachment 1, p. 9.

7 *Estimates Hansard*, 15 October 2012, p. 5.

8 *Estimates Hansard*, 26 May 2014, p. 20.

To me, that is wrong. It is offensive to the separation of powers and I hope that enough senators will be exercised about this issue for us to look at ways of strengthening the position of the parliamentary service in securing an adequate budget.⁹

Committee view

5.15 The funding model for parliamentary departments is an issue that has been deliberated on not only by this committee in the previous inquiry and through the estimates process, but also by the JCPAA.

5.16 The committee understands that there are strong arguments for changing the funding models and decoupling the funding decisions of parliamentary departments from executive government, however, there appears little appetite for change. The committee believes that there is merit in pursuing the committee's previous recommendation with regards to the Senate Appropriations, Staffing and Security Committee and the House Appropriations and Administration Committee meeting jointly to have oversight of the funding of DPS.

Recommendation 12

5.17 The committee reiterates its recommendation for the funding and administration of the Department of Parliamentary Services to be overseen by the Senate Appropriations, Staffing and Security Committee and the House Appropriations and Administration Committee meeting jointly for that purpose, and that standing orders be amended as necessary.

Parliament House as a commercial venue

5.18 Parliament House has 14 areas available for hire, which can cater for events of 20-1000 guests.¹⁰ Those venues include five private dining rooms (which can be used in a variety of configurations) and:

- the Great Hall and the Marble Foyer;
- the Mural Hall;
- Senate and House of Representatives Alcoves;
- the theatre and the theatre foyer;
- Queen's Terrace & Café; and
- the Members' Guests Dining Room.¹¹

5.19 DPS' Annual Report 2013-14 outlines the number of functions held at Parliament House last financial year:

9 *Estimates Hansard*, 26 May 2014, pp 20-21.

10 See Australian Parliament House website, Venue Hire, available at: www.aph.gov.au/Visit_Parliament/Venue_Hire (accessed 6 July 2015).

11 See Parliament House Catering by InterContinental Hotels Group website, available at <http://www.parliamenthousecateringbyihg.com.au/events-canberra-planning/floor-plans-capacities/> (accessed 6 July 2015).

In 2013-14 [Parliament House] hosted 1,030 functions – a reduction on the 1,287 held in the previous year which is attributable to the 2013 election and the consequent reduction in activity in Parliament House. Large scale events in 2013-14 ranged from the Master Builders' National Conference Dinner and the Press Gallery's Mid-Winter Ball to the visit of Their Royal Highnesses, the Duke and Duchess of Cambridge.¹²

Contract with IHG

5.20 DPS contract out the catering for these venues to the Intercontinental Hotels Group (IHG). In an answer on notice during the previous inquiry, DPS explained the nature of the management fee which is paid to IHG:

The contract provides for DPS to pay the catering contractor an annual management fee of \$530,000 per annum ex-GST (CPI indexed from 1 July each year). The management fee reflects:

- services provided by the contractor to the Parliament. The contract requires the contractor to cover the costs of the set-up of parliamentary funded activities (including [primary national events arranged by the Ceremonial and Hospitality Unit (CERHOS) of the Department of the Prime Minister and Cabinet] in the Great Hall), up to 220 events per calendar year. If the number of events exceeds 220 per calendar year, DPS pay the contractor at a rate of 0.1% of the management fee for each additional event; and
- the challenges of operating at Parliament house (such as irregular trade, requirements to give precedence to parliamentary activities, security and other requirements).¹³

5.21 In its 2012 final report, the committee briefly considered DPS' catering contract with IHG:

On 1 July 2008, DPS entered a contract with IHG to provide event catering in Parliament House and with W Catering to provide catering in the Staff Dining Room and Queen's Terrace Café. From 1 July 2010, all catering in Parliament House has been provided by IHG following the termination of the contract with W Catering. A new contract with IHG was entered into in January 2012. The new contract consolidated IHG's original contract for event catering and the catering in the Staff Dining Room and Queens' Terrace Café which IHG had taken over from W Catering on a temporary basis. The IHG contract has an expiry date of 2017 but has the potential to run to 2022, that is 10 years.¹⁴

5.22 At the public hearing on 17 November 2014, Ms Mills noted that the contract with IHG is 'not commercially in the interests of DPS or in the interest of the

12 DPS Annual Report 2013-14, p. 54.

13 See Senate Finance and Public Administration Legislation Committee, *Inquiry into the performance of DPS*, Answer to question on notice, received 12 November 2012, p. 12.

14 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services: Final Report*, November 2012, p. 195.

parliament'.¹⁵ Ms Mills explained that the contract 'traded off to the contractor significant financial benefits that might normally accrue to the building owner'.¹⁶

5.23 The Australian National Audit Office (ANAO)'s report into the management of assets and contracts at Parliament House used the catering contract with IHG as a case study:

Given the length and complexity of the contract, there needs to be a greater focus on performance measures and a strategic approach to continuous improvement of services. While recent changes to weight the [key performance indicators (KPIs)] may provide more capacity to address performance issues, the situation concerning performance measures and other monitoring strategies to assure business viability, demand and mix of services, needed to have been dealt with earlier, and built in at the contract establishment stage.¹⁷

5.24 The ANAO noted:

DPS has indicated that it plans to develop a catering and retail strategy. The department should give this a suitable level of priority, considering the public profile and expectations which Parliament House (a nationally significant entity) generates. In moving towards a new tender process for catering, DPS should aim to conduct relevant research towards alternatives, and properly evaluate available options, to ensure that the best possible arrangements are put in place. In developing future catering contracts, it will be important to: include a range of performance measures; collect performance data; and formulate risk mitigation strategies.¹⁸

Funded and non-funded functions

5.25 The committee has sought information about the use of Parliament House as a commercial venue at estimates hearings. In answers to questions on notice following the Budget Estimates hearings in May 2015, DPS explained when financial support was provided for a function:

Functions and events held at Parliament House are divided into two categories – funded and non-funded. *Operating Policies and Procedures No 24 – Use of the Parliament House facilities for functions and events* (OPP 24)...provides procedures and guidance to all who manage and wish to book events and functions using Parliament House venues.

Funded functions are defined as functions that are approved and supported by the Parliament as a whole. In this respect, a whole-of-Parliament perspective is taken rather than an Executive Government perspective.

15 *Committee Hansard*, 17 November 2014, p. 18.

16 *Committee Hansard*, 17 November 2014, p. 18.

17 Australian National Audit Office (ANAO), *Managing Assets and Contracts at Parliament House, Department of Parliamentary Services*, No. 24, 2014-15, p. 102.

18 ANAO, *Managing Assets and Contracts at Parliament House, Department of Parliamentary Services*, No. 24, 2014-15, p. 102.

Non-funded functions are defined as functions that do not fall within any of the categories of funded functions. These functions include those sponsored or booked by Senators and Members. This also applies to Ministers and senior members of Executive Government.¹⁹

5.26 OPP 24 provides that all functions and events held in Parliament House must be approved. DPS stated that while the Presiding Officers are the final approving authority for the approval of functions in Parliament House, this authority has been delegated and is undertaken by DPS' Director of Programs and Visitor Experience.²⁰ The criteria for approving any proposed function in Parliament House are:

- a) that the function/event would be considered to be acceptable to the majority of Senators and Members in the Parliament;
- b) that the function/event is consistent with the dignity of the Parliament;
- c) that the function/event is not likely to cause offence to any significant part of the Australian community;
- d) that the function/event will not adversely impact on any other activities in Parliament House, particularly the operations of parliamentary business, the Chambers or Committees/Hearings, also providing a clear thoroughfare for Senators and Members; and
- e) that the function/event does not disproportionately affect public access to areas that are usually open to the public.²¹

5.27 OPP 24 also sets out categories of funded events, which include:

- a) a function for any parliamentary purpose, including the Parliament's education and public relations activities under the auspices of the International Community Relations Office (ICRO) and the Parliamentary Education Office (PEO) – this category also includes special ceremonial events, such as the Opening of Parliament;
- b) a function arranged by the Executive Government, which is supported by the Parliament as a whole – primary national events arranged by the Ceremonial and Hospitality Unit (CERHOS) of the Department of the Prime Minister and Cabinet;
- c) free public performances;
- d) functions that are supported by the Presiding Officers in their capacity as Presiding Officers;

19 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

20 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

21 Operating Policies and Procedures No 24 – Use of the Parliament House facilities for functions and events, clause 8, attached to Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

- e) official functions that are held by one of the three parliamentary departments (note that this does not include social functions);
- f) certain meetings or functions held by Approved Parliamentary Groups[;]
- g) functions that might relate to the activities of the Parliament as a whole, or of one House, such as swearing in of the Governor-General; [and]
- h) functions held by Parliamentary Joint Committees, or Committees of either House[.]²²

5.28 Non-funded functions include those that are sponsored or booked by Senators or Members, but do not fall within any of the categories of funded functions. Non-funded events include:

- a) any function organised by a political party, regardless of whether that party is in Government or whether the function involves parliamentarians;
- b) functions that are organised or booked by government agencies or departments, even where it involves a Minister or other parliamentarians; [and]
- c) functions that are booked by a parliamentarian on behalf of another organisation external to the Parliament, even if the Member or Senator who makes the booking will be in attendance. This includes:
 - i) a Press Club address, media launch or any conference at which a parliamentarian speaks;
 - ii) a function for an industry, community or business group booked or supported by the local member or another parliamentarian; and
 - iii) a function aimed at showcasing an activity, product or industry to parliamentarians.²³

5.29 OPP 24 states that any function held in Parliament House may attract fees and charges, particularly where the function is classified as 'non-funded'. The types of charges that may apply include:

- venue set up;
- food and beverage;
- audio visual services;

22 Operating Policies and Procedures No 24 – Use of the Parliament House facilities for functions and events, Attachment B, clause 3, attached to Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

23 Operating Policies and Procedures No 24 – Use of the Parliament House facilities for functions and events, Attachment B, clause 7, attached to Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

- security; and
- cleaning.²⁴

DPS' involvement in commercial functions

5.30 In May 2014, Ms Mills explained the information available to DPS in terms of the events being held in the areas managed by IHG:

We have very defined areas of the building that are let through IHG...

If [IHG] are catering for an event, they would know about what the event was, the location and the number of people for whom they were catering[.]...

[DPS'] interest would be in our contract with IHG – about their turnover. They pay us based on their turnover and the number of activities. So we monitor those values at a broad level, but we certainly do not look at [the charges for] every event...

5.31 The committee also sought information regarding the use of 'special suites', such as the Speaker's or the President's rooms, for political fundraising events. Ms Mills stated:

The special suites all have dining room capacity, and it is normally up to [the] holders of special suites to decide how they wish to use them. They get support for that, if it is the President or the Speaker, from their respective chamber departments.²⁵

5.32 DPS' involvement in such functions would be limited to the movement of furniture and items in and out of the suite.²⁶

5.33 Ms Mills noted that those office holders with special suites could choose whichever catering company they wished to provide for those functions, however, other Members and Senators were required to use the in-house caterers, IHG.²⁷

Committee view

5.34 It is important that use of Parliament House as a commercial venue is strictly regulated to ensure that all functions held in the building are appropriate to its place as a national symbol.

24 Operating Policies and Procedures No 24 – Use of the Parliament House facilities for functions and events, Attachment A, clause 1, attached to Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

25 *Estimates Hansard*, 26 May 2014, p. 52. The President of the Senate, Senator the Hon Stephen Parry, advised the committee that he does not hold any political fundraisers in the President's suite, see *Estimates Hansard*, 25 May 2015, pp 10 and 11.

26 Ms Carol Mills, Secretary, DPS, *Estimates Hansard*, 26 May 2014, pp 57-58; Senate Finance and Public Administration Legislation Committee, Budget Estimates 2014-15, *Answer to question on notice No. 191 and No. 297*; Ms Myra Croke, Chief Operating Officer, DPS, *Estimates Hansard*, 25 May 2015, p. 116.

27 *Estimates Hansard*, 26 May 2014, p. 53.

5.35 The committee notes the evidence from DPS that OPP 24 is currently under review to take account of some changes to position titles in DPS 'and to clarify the use of some venues currently not specifically referred to in the existing policy, for example courtyards'.²⁸ The committee believes DPS should provide a copy of this operating policy to the committee once it is finalised and identify the changes from the current policy.

Recommendation 13

5.36 The committee recommends that DPS provide the committee with the revised and updated policy on the use of Parliament House facilities for functions and events once that policy is completed.

5.37 The committee notes that DPS has indicated that it is in the process of developing a new catering and retail strategy, and this is discussed in more detail in the next section of the report on the review of the Visitor Experience at Parliament House.

Review of the Visitor Experience at Parliament House

5.38 At the public hearing on 17 November 2014, the committee discussed with DPS officers a review of the visitor experience at Parliament which was conducted by Sandwalk Partners (the Sandwalk review) at a cost of \$269,900.²⁹

5.39 Ms Mills explained to the committee why the decision was made to review the visitor experience:

There were a number of things that I was briefed on and read about when I came here. I met with all the executives across the department about the areas they were concerned about or working on. From that feedback, there had been a survey of visitors to Parliament House in I think late 2011—I will have to check the dates. That survey had a number of findings. It reported the departments' offering in terms of client satisfaction for our tours, the types of programs we had, the number of free tours et cetera. It mentioned the inflexibility of the tours to adjust to different school ages and different school groups. There were a number of quite negative comments. A number of concerns were raised with me, including by [former] ACT Senator [Gary] Humphries, about declining numbers in general. There had been no real action or plan for how to respond to the survey results.³⁰

5.40 Ms Mills continued:

In addition to that, the branch [with responsibility for the area] highlighted the decline in shop revenue. There was a very low turnover rate and low profit margins in the shop, which was also in decline. We had a new contract with IHG for catering, which it might be said was not

28 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2015-16, Department of Parliamentary Services, *Answer to question on notice No. 38*.

29 See Ms Freda Handley, Assistant Secretary, Parliamentary Experience Branch, DPS, *Committee Hansard*, 17 November 2014, p. 19.

30 *Committee Hansard*, 17 November 2014, p. 18.

commercially in the interests of DPS or in the interests of the parliament. It traded off to the contractor significant financial benefits that might normally accrue to the building owner. There was also a view expressed that the visitor experience, which had been core to the opening of the building—we regularly had over one million visitors a year when the building first opened—had declined and had become an unchanging but shrinking part of the business. So the idea was to explore whether in fact there were remedies available to us in terms of the type of programs that we could offer, the experience that we might learn from elsewhere and what we could look forward to if we renegotiated our catering contracts and our shop into the future. Those things were rolled up into a single review.³¹

Sandwalk Partners

5.41 The committee discussed with Ms Mills at some length her dealings with some of the principals of Sandwalk Partners. Previously, DPS had informed the committee that Ms Mills had met with one of the principals of Sandwalk Partners, Mr Simon Spellicy, on four occasions over the period 15 June 2012 to 30 November 2012.³²

5.42 Ms Mills described how she had come to meet Mr Spellicy:

I went to the Opera House, soon after starting [with] DPS, to talk about some of the work they were doing there in a number of different areas. It seemed to me that they had much better practices and capabilities than we had here at Parliament House at the time. I had not met Simon Spellicy before, but he was brought into part of the meeting because of the work he had been doing around the visitor experience at the Opera House. He outlined to me some of the initiatives they had done around tours and trying to open up the building to be not only a performing arts centre but also a tourist attraction. I was quite interested in what he had to say and I asked the Opera House if he would be available to run a small workshop with our staff to explain the work that he had done there. That is what occurred midyear. Unbeknownst to me, he then left the Opera House—and he provided us with information that he was now establishing a company. None of that was related to our view to move ahead with this [review of the visitor experience] project; it was completely independently determined.³³

5.43 Ms Mills agreed that, on the basis that Sandwalk Partners was registered with the Australian Security & Investments Commission on 5 November 2012, the last meeting that she held with Mr Spellicy, on 30 November 2012, was after Sandwalk Partners had been formed.³⁴

31 *Committee Hansard*, 17 November 2014, p. 18.

32 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2013-14, Department of Parliamentary Services, *Answer to question on notice No. 103*.

33 *Committee Hansard*, 17 November 2014, p. 20.

34 *Committee Hansard*, 17 November 2014, p. 22.

Scope and outcomes of the Sandwalk review

5.44 Ms Freda Handley, Assistant Secretary, Parliamentary Experience Branch, DPS, outlined what the Sandwalk review included:

The premise was to improve the visitor experience at Parliament House and give them a better understanding of what happens in parliament, as well looking at where we can improve—the Parliament House shop, the catering and all that sort of stuff.

...

It included how visitors find their way through the building, what sort of experience they have in terms of the tours they take or whether they did not take tours. It looked at the product we deliver to schools as well.

...

We have 125,000 schoolchildren coming through the building each year. Some of them take the Parliamentary Education Office product, the role-play product, but DPS gives the students a tour of the building as well and explains parliamentary process to them.³⁵

5.45 DPS subsequently provided a copy of the Sandwalk review to the committee and the committee has published a copy of the Sandwalk review on its website with the commercial-in-confidence material redacted.³⁶

5.46 The Sandwalk review sets out the following 'Guiding Principle':

The key to creating a fully immersive experience is the seamless integration of all of the elements into a coherent journey. This involves tying together content interpretation, exhibitions, tours, [food & beverage] and retail via a clear and relevant narrative thread, so that the content of an underlying story informs decisions about exhibition theming, specialist tour products, menu selection and merchandising decisions.

Taking this 360° view will ensure that all areas of the business are consistent with, and benefit from, the curation of the overall experience. It will also provide a consistent framework on which to build a sustainable cost recovery model that integrates all business areas.³⁷

5.47 Some of the key changes recommended in the Sandwalk review include:

- Accountability for delivery of tourism visitation should be centralised with the Parliamentary Experience Branch [PEB] of DPS.
- The PEB branch should be structured into three streams of accountability covering: development; ii) visitor services; and iii) contracts and services.

35 *Committee Hansard*, 17 November 2014, p. 18.

36 See Answers to question on notice, received 30 January 2015, pp 15-227.

37 Sandwalk Partners, *Review of the Visitor Experience at Australian Parliament House: Directional Strategy for a New Visitor Experience*, September 2013, p. 20.

- The [Parliamentary Education Office (PEO)] should be moved into PEB and given oversight of the entire schools experience.
- A curator role is required and should report in under visitor services.
- Development of an interactive, interpretive Smartphone app is required.
- Use of analogue and digital displays in key areas will provide content and interactive displays.
- A digital content management system is required to provide content for daily tour experience.
- Supply of map and brochure for non-users of app as required.
- Volunteers to be an integral part of new visitor experience.
- Audio equipment provided for guided tour participants.
- Guided tour delivery enhancement through richer content, interaction, specialisation and integration with events.
- New contract arrangements for [food & beverage] operations to create a fit for purpose destination offering.
- Retail management performance improvement by better capability in house or outsourcing to create a fit for purpose store.
- Increased resourcing of both onsite and offsite marketing to drive visitation and 360° offerings and collaboration with ACT Tourism.³⁸

5.48 The Sandwalk review proposes the implementation of these recommendations in two stages:

Short-term (6–12 months) actions: improve the quality of the basic visitor experience, essential capabilities developed and early financial gains captured;

Mid- to long-term (1–3 year) actions: transformation of visitor experience and subsequent strategies to drive visitation growth. Opportunities for higher commercial revenues to offset operating costs will be fully realised.³⁹

Parliament House shop

5.49 The committee sought information on the implementation of the Sandwalk review's recommendations in relation to the Parliament House shop. Ms Mills informed the committee:

The Sandwalk [review] made a number of recommendations regarding the shop...We have been very slowly trying to implement those recommendations because we had stock on hand that we had to deal with and we have to develop new partnerships and new arrangements. The

38 Sandwalk Partners, *Review of the Visitor Experience at Australian Parliament House: Directional Strategy for a New Visitor Experience*, September 2013, p. 8.

39 Sandwalk Partners, *Review of the Visitor Experience at Australian Parliament House: Directional Strategy for a New Visitor Experience*, September 2013, p. 8.

principal issues that that report recommended was that there would be value in a stronger link between the parliamentary experience of visiting Parliament House and the Canberra region and the quality of shop merchandise.

They also recommended that we reduce the number of lines. We had a large number of lines that did not have a turnover rate that was considered commercially viable. So there has been a progressive development of that. The other piece of work that we have been asked to do is to develop—and this is perhaps more recently but a significant part of it—a line of products that are branded more closely to the parliament that would be suitable not only as souvenirs but also for delegations and so on. That work is underway at the moment.⁴⁰

5.50 Ms Mills also informed the committee that DPS were considering renovations to the Parliament House shop:

We are inhibited in the shop by its size and its layout, and it is not a very visible store. So part of the planning is to renovate the shop to make it larger so that we can stock more material...

What it does look at is making it more visible. If you exit at the moment through the right hand side of the marble foyer, the shop is a blank wall next to you. It is very easy to miss it. What we are looking to do is to make that a glass or open wall so that you can see the shop much more actively that you can at the moment.⁴¹

5.51 Ms Mills noted that it was not possible to make changes to the Marble Foyer of Parliament House:

We cannot make any changes to the foyer itself, obviously. We have got one entry point from the foyer, and we have two glass display cases in the foyer. They would remain unchanged. However, the hallway exit point where you go out two concertina doors to leave the building, that wall is not...part of the heritage design of the building. It was part of the security egress when the doors had to be closed. We are working with the original architectural team to look at ways in which we can expand the shop and have some sort of visual recognition of the shop...

We are examining the potential to have a lift to go to the Queen's Terrace Cafe. The lift currently stops outside the building at the ground floor where the shop is. We are talking to the architects about whether it would be feasible, within heritage guidelines, to have a lift that, instead of stopping at the ground floor, went up to the first floor.⁴²

5.52 Mr Neil Skill, First Assistant Secretary, Building and Asset Management Division, assured the committee that the proposed changes would not impact on the

40 *Committee Hansard*, 17 November 2014, p. 23.

41 *Committee Hansard*, 17 November 2014, p. 23.

42 *Committee Hansard*, 17 November 2014, p. 24.

architectural or heritage values of the Marble Foyer or the forecourt of Parliament House.⁴³

5.53 On notice, DPS stated that the scoping, design and heritage implications of this work on the Parliament House shop were still being documented, but an 'early indicative budget is \$2 million'.⁴⁴

Committee view

5.54 The committee accepts that there was some need for a review of the visitor experience at Parliament House. However, given that nearly \$270,000 has been spent on the Sandwalk review, it is critical that DPS remain accountable for this expenditure. The committee's view is that DPS should indicate which recommendations of the Sandwalk review it intends to implement and provide updates on the implementation of those recommendations prior to each estimates hearings.

Recommendation 14

5.55 The committee recommends that DPS provide the committee with a list of the recommendations that it intends to implement from the Sandwalk review and, prior to each estimates hearing, provide the committee with an update on the implementation of those recommendations.

Senate estimates briefs

5.56 At the hearing on 17 November 2014, former Senator the Hon John Faulkner asked if DPS could provide:

[A]ll their estimates briefs and iterations of all their estimates briefs, including background that had been prepared for this and the last two estimates rounds [on notice]. It is quite simple; just a photocopy of that material will suffice. I would also like to know in relation to that the amount of DPS resources that are used in the preparation of estimates briefs.⁴⁵

5.57 The then Secretary indicated that she was not able to provide the committee with the amount of DPS resources used in the preparation of the estimates briefs, but she could say that it was 'very significant'.⁴⁶

5.58 On 28 November 2014, as part of the answers to the questions on notice from the hearing on 17 November 2014, the committee was provided with copies of the estimates briefs from the Parliamentary Librarian and the Chief Information Officer.

5.59 On 30 January 2015, the then Secretary wrote to the committee regarding the provision of the remaining estimates briefs, stating:

43 *Committee Hansard*, 17 November 2014, p. 24.

44 Answer to question on notice, received 30 January 2015, p. 231.

45 *Committee Hansard*, 17 November 2014, p. 25.

46 *Committee Hansard*, 17 November 2014, p. 25.

There is a longstanding convention that advice prepared for the Presiding Officers is treated as confidential. In the case of [DPS] Senate estimates briefs, the information contained in those briefs is also provided to the Speaker. Given the longstanding practice, Madam Speaker has not agreed to the release of the department's estimates briefs to the Committee. The President concurs with the longstanding practice and Madam Speaker's view.⁴⁷

5.60 On 12 February 2015, the committee responded to Ms Mills, indicating it was of the view the reasons given for not providing the remaining estimates briefs were confusing:

As you would be aware, DPS already provided estimates briefs from the Parliamentary Library and the Chief Information Officer to the committee on 28 November 2014. The so called 'long standing convention' referred to in your letter of 30 January 2015 has therefore already been disregarded by DPS. Further, the committee notes that a 'long standing convention' and 'advice to the Presiding Officers' are not generally accepted Public Interest Immunity grounds for not providing information to a Senate Committee.⁴⁸

5.61 The committee reiterated its request for the provision of the remaining estimates briefs. The committee indicated that it was prepared to discuss any material which needs to be kept confidential. However:

[G]iven that estimates briefs are prepared for estimates hearings, and that no in camera evidence can be taken by committees during estimates hearings, it is not envisaged that there would be a substantial volume of confidential material.⁴⁹

5.62 On 27 February 2015, the then Secretary again wrote to the committee on this matter:

As noted in my letter of 30 January 2015, DPS is not able to provide all briefs and all iterations of all briefs for the last three rounds as this would involve a significant diversion of resources and would also impact on the department's ability to fully brief the Presiding Officers and senior officers in preparation for future Senate estimates hearings.⁵⁰

5.63 The former Secretary noted that some of the briefs had been provided to the committee:

While DPS did provide copies of some final versions of briefs in relation to the Parliamentary Library and ICT – these were able to be assessed more

47 Correspondence from Ms Carol Mills, Secretary of DPS, to Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 30 January 2015, p. 1.

48 Correspondence from Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 12 February 2015, p. 1.

49 Correspondence from Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 12 February 2015, p. 1.

50 Correspondence from Ms Carol Mills, Secretary of DPS, to Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 27 February 2015, p. 1.

readily and did not involve a significant diversion of resources. Furthermore, they were provided before there had been time for full consideration with the Presiding Officers.⁵¹

5.64 Ms Mills also indicated that the provision of the estimates briefs would 'impact on DPS's ability to effectively brief the Presiding Officers'.⁵²

5.65 On 6 March 2015, the committee wrote again to Ms Mills, pointing out the inconsistencies between the letters of 30 January and 27 February 2015:

You now state [in your letter of 27 February] that DPS is not able to provide 'all briefs and all iterations of all briefs for the last three rounds as this would involve a significant diversion of resources'. I note that you have not raised this concern with the committee in earlier correspondence...

I note that you are no longer refusing to provide the estimates briefs on the basis that '[t]here is a long standing convention that advice prepared for the Presiding Officers is treated as confidential'.⁵³

5.66 The committee addressed DPS' concerns that the provision of the remaining estimates briefs would involve a significant diversion of resources:

Given your advice, the committee has decided to amend the question on notice and now only requires DPS to provide the final versions, and not all of the drafts, of estimates briefs for the last three rounds.⁵⁴

5.67 On 13 March 2015, DPS' Chief Operating Officer, Ms Myra Croke, wrote to the committee stating that the matter had not yet been discussed between the Secretary and the Presiding Officers:

[I]t is not feasible for a decision to be taken and any briefs provided to the Committee [prior] to further discussions. As a result, DPS is not able to respond to this issue until the Secretary has had the opportunity to discuss this matter with the Presiding Officers.⁵⁵

5.68 At the public hearing on 16 March 2015, the committee questioned Ms Croke on the shift in the reasoning for not providing the committee with the remaining estimates briefs. Ms Croke explained:

I think the original reasoning from the Presiding Officers still very much stands. As I understand it, they are still of that view.

51 Correspondence from Ms Carol Mills, Secretary of DPS, to Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 27 February 2015, pp 1-2.

52 Correspondence from Ms Carol Mills, Secretary of DPS, to Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 27 February 2015, p. 2.

53 Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, to Ms Carol Mills, Secretary of DPS, 6 March 2015, p. 1.

54 Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, to Ms Carol Mills, Secretary of DPS, 6 March 2015, p. 1.

55 Ms Myra Croke, Chief Operating Officer, DPS, to Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 13 March 2015, p. 1.

...

[B]ut there is no getting away from the fact that if we had to go through and identify all those briefs and assess them, there would be a diversion of resources.⁵⁶

5.69 On 13 May 2015, the Presiding Officers wrote to the committee in relation to the provision of the estimates briefs:

We wish to advise the Committee that we consider provision of DPS' briefs would not be appropriate due to the longstanding convention that information provided to a Presiding Officer is not given to committees of the other chamber. In accordance with this convention, briefs and information provided to a Speaker would not be given to Senate committees, similarly, briefs and information provide to a President would not be given to House committees. It should be noted that all briefs prepared by DPS for a Presiding Officer are provided to both Presiding Officers. As such, we do not consider it appropriate for DPS to provide copies of their Estimates briefs to the Committee.⁵⁷

Committee view

5.70 At the outset, the committee would like to state that it did not make the request for the Senate estimates briefs lightly. The request was made in light of a number of factors, such as poor record keeping, high staff turnover and slow and inadequate responses, which made it extremely difficult for the committee to obtain information through questioning at hearings.

5.71 DPS continues to refuse the production of the estimates briefs which Senator Faulkner requested in November 2014. Essentially DPS' reasons for doing this is that those briefs, despite being prepared for the purposes of Senate Estimates hearings, have been provided to the Speaker and that to produce these estimates briefs would be a significant diversion of resources.

5.72 DPS makes these arguments despite two sets of estimates briefs being provided to the committee without objection and on the date specified for answers to questions on notice. Further, the committee notes that during the course of the previous inquiry, DPS provided copies of briefings prepared for Supplementary Estimates hearings in October 2010 and Budget Estimates in May 2011.⁵⁸ The committee understands that this material was made available by DPS without objection.

56 *Committee Hansard*, 16 March 2015, p. 2.

57 The Hon Bronwyn Bishop MP, Speaker of the House of Representatives and Senator the Hon Stephen Parry, President of the Senate to Senator Cory Bernardi, Chair, Senate Finance and Public Administration Legislation Committee, 13 May 2015, p. 1.

58 See Senate Finance and Public Administration Legislation Committee, Inquiry into the performance of DPS, Answer to questions on notice, received 15 May 2012, available at www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Completed%20inquiries/2010-13/deptparliamentaryservices/submissions (accessed 3 August 2015).

5.73 The committee maintains its position that as Senate estimates briefs are prepared for DPS' appearance at Senate estimates hearings before this committee, they should be provided and have been provided previously. While the estimates briefs may be provided to the Speaker of the House of Representatives for information, they are not briefs for decision of the Presiding Officers and DPS should not be using a different process to keep information from the committee. As an aside, the committee notes that briefs for decision have been provided to the committee previously, for example in the case of the brief to the Presiding Officers for the request for one-off funding for DPS for the 25th Anniversary of Parliament House.⁵⁹

5.74 The committee is frustrated at the manner in which DPS has raised its objections to answering this question on notice, in particular the apparent changes to DPS' reasons for refusing to provide the material. The confused and inconsistent response to this information request again illustrates the difficult experience for the committee trying to obtain information from DPS. The committee expects the new Secretary and senior managers to improve the timeliness and quality of information provided to the committee so that it can fulfil its important accountability role.

5.75 In the committee's view, DPS' refusal to provide these estimates briefs has not been made on appropriate Public Interest Immunity grounds. However, the committee has decided not to continue to pursue the production of these estimates briefs.

Conclusion

5.76 The evidence that the committee has received during the course of this inquiry causes it great concern. Like the ANAO, the committee finds it hard to identify anything positive coming from the many recommendations made in the committee's 2012 interim and final reports. The fact that all the significant documents for the heritage management of this building are incomplete is inexcusable. The awarding of photographic commission to the value of \$40,000 to someone personally known to the former departmental Secretary is incomprehensible. That no documentation exists to explain the awarding of that photographic commission is inexplicable.

5.77 While the committee does not intend to catalogue all its concerns here again, after more than a year, it is now time for the committee to conclude its inquiry. DPS is entering a new stage, which will be marked by the appointment of a new Secretary and the outcomes of the independent structural review which the Presiding Officers have initiated.

5.78 The committee believes that it is important that a new Secretary be allowed to commence at DPS, armed with the knowledge of the current status of the department as outlined by both the ANAO and this committee, but unencumbered by the overt scrutiny that comes with an ongoing Senate committee inquiry.

5.79 However, as the recommendations in this report attest, the committee will continue to closely monitor DPS through the estimates process.

59 See, Answer to question on notice, received 30 January 2015, pp 307-308.

Senator Cory Bernardi

Chair