

The Senate

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Finance and Public Administration  
Legislation Committee

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Department of Parliamentary Services

Final report

September 2015

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# Membership of the Committee

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Senator the Hon Kate Lundy (Deputy Chair) (until 23 March 2015)	ALP, ACT
Senator Katy Gallagher (Deputy Chair) (from 26 March 2015)	ALP, ACT
Senator John Faulkner (until 6 February 2015)	ALP, NSW
Senator the Hon Joseph Ludwig (From 12 February 2015)	ALP, QLD
Senator Bridget McKenzie	NAT, VIC
Senator Dean Smith	LP, WA
Senator Janet Rice	AG, VIC

## Participating Members

Senator Nick Xenophon	IND, SA
Senator John Madigan	IND, VIC
Senator Lee Rhiannon	AG, NSW



# Table of Contents

<b>Membership of the Committee .....</b>	<b>iii</b>
<b>List of Recommendations .....</b>	<b>vii</b>
<b>Chapter 1.....</b>	<b>1</b>
<b>Introduction .....</b>	<b>1</b>
Terms of reference.....	1
Conduct of the inquiry.....	2
Appointment of a new Secretary and structural review .....	3
Content and structure of the report.....	3
Acknowledgement.....	4
<b>Chapter 2.....</b>	<b>5</b>
<b>Progress in responding to committee's previous inquiry and the senior management structure .....</b>	<b>5</b>
Response to the committee's previous inquiry .....	5
Senior management structure of DPS .....	10
<b>Chapter 3.....</b>	<b>17</b>
<b>Heritage management, building and asset management and contract management .....</b>	<b>17</b>
Heritage management.....	17
Building and asset management .....	24
Contract management.....	31
<b>Chapter 4.....</b>	<b>39</b>
<b>Workplace culture and employment issues.....</b>	<b>39</b>
Introduction .....	39
Progress in implementing recommendations .....	39
Hansard.....	45
Visitor Services .....	52
<b>Chapter 5.....</b>	<b>57</b>
<b>Other matters.....</b>	<b>57</b>
Introduction .....	57
Funding models for DPS .....	57

Parliament House as a commercial venue .....	60
Senate estimates briefs .....	71
Conclusion .....	75
<b>APPENDIX 1 .....</b>	<b>77</b>
<b>Submissions and additional information received by the committee .....</b>	<b>77</b>
Submissions .....	77
Additional information .....	77
Answers to Questions on Notice .....	77
<b>APPENDIX 2 .....</b>	<b>79</b>
<b>Public Hearings .....</b>	<b>79</b>
<b>APPENDIX 3 .....</b>	<b>81</b>
<b>Recommendations from the previous inquiry into the performance of the Department of Parliamentary Services.....</b>	<b>81</b>
Inquiry into the performance of the Department of Parliamentary Services, Interim report recommendation:.....	81
Inquiry into the performance of the Department of Parliamentary Services, Final report recommendations: .....	81
<b>APPENDIX 4 .....</b>	<b>85</b>
<b>Update on the progress against the committee's recommendations from the previous inquiry .....</b>	<b>85</b>

# **List of Recommendations**

## **Recommendation 1**

**2.45** The committee recommends that prior to each estimates hearing, DPS provide an update on the senior management structure of the department, including an organisational chart indicating changes to the personnel in senior executive staff positions.

## **Recommendation 2**

**3.32** The committee recommends that DPS dedicate the necessary resources to have the final Conservation Management Plan and the Design Principles completed by 30 October 2015 and take the necessary steps to have the Central Reference Document completed by 30 September 2017.

## **Recommendation 3**

**3.33** The committee recommends that prior to each estimates hearing, DPS provide the committee with an update of the status of the Conservation Management Plan, the Design Principles and the Central Reference Document. These updates should continue to be provided until such time as all three documents are complete.

## **Recommendation 4**

**3.63** The committee recommends that DPS perform a stocktake of all assets in all areas of Parliament House once every three years.

## **Recommendation 5**

**3.83** The committee recommends that the Australian National Audit Office undertake a follow-up audit of DPS' contract management in 2016.

## **Recommendation 6**

**3.84** The committee recommends that DPS conduct an internal audit of contracts put in place in 2015 and provide a copy of the audit report to the committee by 1 February 2016.

## **Recommendation 7**

**4.26** The committee recommends that DPS provide the following information on bullying and harassment complaints to the committee by 1 October 2015:

- the number of complaints recorded on the HR register for the 2014-15 financial year;
- the number of complaints recorded on the HR register for the 2014-15 financial year which have been resolved and the nature of that resolution;
- the number of complaints recorded on the HR register for the 2014-15 financial year which have been escalated for investigation and the outcome of that investigation;

- the current number of Harassment Contact Officers in DPS (as at 30 September 2015).

#### **Recommendation 8**

**4.28** In providing the information on bullying and harassment in Recommendation 7, DPS should identify the three areas of DPS where the most complaints of bullying and harassment have been received and whether a pre-emptive investigation has been conducted in relation to any of those areas.

#### **Recommendation 9**

**4.30** The committee recommends that, prior to each estimates hearing, DPS provide the committee with the following information on the number of bullying and harassment complaints:

- the number of new complaints recorded on the HR register since the previous estimates update was provided;
- the status of each of the new complaints recorded on the HR register since the previous estimates update was provided;
- the number of complaints withdrawn from the HR register and the reasons that the complaints were withdrawn; and
- the number of Harassment Contact Officers in DPS.

#### **Recommendation 10**

**4.54** The committee recommends that prior to each estimates hearing, DPS provide the committee with the following information:

- the total number of editors employed by Hansard and a breakdown of those numbers into trainees and trained editors;
- the breakdown of the number of editors who are employed full-time, part-time and casual;
- the total number of chamber and committee turns transcribed by Hansard since the previous estimates update and the number of those turns which were subedited;
- where there has been a decision not to subedit turns, the reasons for that decision; and
- an update on the work of the Hansard forum.

#### **Recommendation 11**

**4.70** The committee recommends that DPS provide the committee with the evaluation of the trial of the full day shifts by 1 October 2015.

#### **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.**

**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.**

**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.**



# Chapter 1

## Introduction

### Terms of reference

1.1 On 26 June 2014, the Senate referred the following matters to the Finance and Public Administration Legislation Committee for inquiry and report by the 7<sup>th</sup> sitting day in March 2015:

- (a) progress in implementing the recommendations of the committee's 2012 reports into the performance of the Department of Parliamentary Services (DPS), with particular reference to:
  - (i) workplace culture and employment issues,
  - (ii) heritage management, building maintenance and asset management issues, and
  - (iii) contract management;
- (b) the senior management structure of DPS and arrangements to maintain the independence of the Parliamentary Librarian;
- (c) oversight arrangements for security in the parliamentary precincts and security policies;
- (d) progress in consolidating Information and Communication Technology services and future directions;
- (e) the future of Hansard within DPS;
- (f) the use of Parliament House as a commercial venue;
- (g) 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;
- (h) consideration of whether the distinction between the operations of the parliamentary institution and its direct support services, and the operations and maintenance of the parliamentary estate, is a more effective and useful foundation for future administrative support arrangements, taking into account the need for the Houses to be independent of one another and of the executive government; and
- (i) any related matters.<sup>1</sup>

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1 *Journals of the Senate*, No. 37 – 26 June 2014, p. 1019.

1.2 The Senate also agreed that, in undertaking the inquiry, the committee have access to relevant records and evidence of the committee's inquiry into DPS in the previous Parliament.<sup>2</sup>

1.3 The Senate agreed to extend the reporting date until 25 June 2015 and subsequently to 17 September 2015.<sup>3</sup>

### **Conduct of the inquiry**

1.4 The inquiry was advertised in *The Australian* newspaper and on the committee's website. The committee invited submissions from interested individuals, organisations and DPS by 5 September 2014.

1.5 The committee received eight public submissions as well as confidential submissions. A list of individuals and organisations which made public submissions, together with other information authorised for publication by the committee, is at Appendix 1. The committee held public hearings in Canberra on 17 November 2014, 2 and 16 March 2015, and 13 and 14 May 2015. The committee also asked questions relevant to the inquiry during appearances by officers of DPS at estimates hearings during the course of the inquiry. A list of the witnesses who gave evidence at the public hearings is available at Appendix 2.

1.6 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee website at [www.aph.gov.au/senate\\_fpa](http://www.aph.gov.au/senate_fpa).

1.7 This is the committee's third and final report for this inquiry.

1.8 The committee's first interim report set out the background to this inquiry, including an overview of the committee's previous inquiry into DPS which was conducted in 2011-12. A list of the recommendations from the committee's previous inquiry are at Appendix 3.

1.9 The first interim report dealt with three specific matters:

- the Australian National Audit Office's (ANAO) audit on the management of assets and contracts at Parliament House;
- the process leading to the awarding of the photography commission to celebrate the 25<sup>th</sup> Anniversary of Parliament House to Ms Anne Zahalka; and
- the background and conclusions of the Senate Committee of Privileges (Privileges Committee) inquiry into the use of CCTV material in Parliament House, in particular, inconsistent evidence provided to the committee by the former Secretary of DPS, Ms Carol Mills, at an estimates hearing on 26 May 2014 and subsequent material provided by DPS to the Privileges Committee.

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2 *Journals of the Senate*, No. 37 – 26 June 2014, p. 1019.

3 See *Journals of the Senate*, No. 79 – 2 March 2015, p. 2203; *Journals of the Senate*, No. 95 – 15 June 2015, p. 2644.

1.10 The committee's second interim report, tabled on 25 June 2015, dealt only with the matter of the misleading evidence provided to the committee by Ms Mills at the Estimates hearing on 26 May 2014.

1.11 On 26 March 2015, the committee was referred an inquiry on the proposed Parliament House security upgrade works.<sup>4</sup> The committee tabled its report for that inquiry on 25 June 2015. The committee has drawn relevant evidence and material from this inquiry to use in the current inquiry.

### **Appointment of a new Secretary and structural review**

1.12 During the course of the committee's inquiry Ms Mills had her employment with the department terminated. On 24 June 2015, the President of the Senate, Senator the Hon Stephen Parry, informed the committee that, pursuant to the relevant provisions in the *Parliamentary Service Act 1999*, the Parliamentary Service Commissioner has commenced a recruitment process to fill the position of Secretary of DPS.

1.13 The Presiding Officers have agreed that key stakeholders will be consulted in relation to the position of Secretary of DPS and the particular skills required to work in the parliamentary environment. The President has indicated that, in due course, the committee's views on these matters will be sought.

1.14 The Parliamentary Librarian, Dr Dianne Heriot, who was acting as the Secretary at the time of Ms Mills' departure, will continue as Acting Secretary until the appointment of a new Secretary.

1.15 The President has also informed the committee that the Presiding Officers have requested that the Parliamentary Service Commissioner arrange for an independent structural review of DPS to be conducted and that the independent reviewer will also seek the views of the committee. This was announced on 27 August 2015 and the President wrote again to the committee with further details of the review.

### **Content and structure of the report**

1.16 In light of the President's correspondence of 24 June 2015, the committee has determined that some areas of deliberation on this inquiry have now been superseded. In particular, given the plans for an independent structural review of DPS, the committee has decided not to make any comment on term of reference (e), the future of Hansard in DPS, and term of reference (h), which deals with consideration of the distinction between the operations of the parliamentary institution and the operations and maintenance of the parliamentary estate.

1.17 In addition, while the committee has looked at the changes in the senior management structure of DPS since Ms Mills became Secretary in May 2012, the committee has not made any comment on the current structure of DPS' senior

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4 *Journals of the Senate*, No. 90 – 26 March 2015, p. 2463.

management (term of reference (b)). This is an issue that the committee would be prepared to discuss further with the independent reviewer.

1.18 The committee has also covered some of the terms of reference, like heritage management and contract management, in the first interim report. This report builds on the material covered in the first interim report, rather than recanvassing those matters.

1.19 Finally, there are some terms of reference for which the committee received no evidence, for example arrangements to maintain the independence of the Parliamentary Librarian. For this reason, the committee has not covered all the terms of reference in this or the preceding reports.

1.20 The structure of this report is:

- Chapter 2 discusses the changes in the senior management structure of DPS since 2012 and gives an overview of DPS' response to the recommendations from the committee's previous inquiry.
- Chapters 3 and 4 consider specific issues in relation to DPS' response to the recommendations from the committee's previous inquiry. Chapter 3 covers heritage management, building and asset management and contract management. Chapter 4 discusses workplace culture.
- Chapter 5 covers other matters arising from the terms of reference and the inquiry in general, including the budget-setting processes for the Parliament; the use of Parliament House as a commercial venue; and the provision of information by DPS to the committee.

### **Acknowledgement**

1.21 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information and appearing at public hearings.

## Chapter 2

### Progress in responding to committee's previous inquiry and the senior management structure

#### Response to the committee's previous inquiry

2.1 The committee considered DPS' progress in implementing the recommendations of the committee's 2012 reports. Set out below are an overview of the responses by DPS, the government and the Presiding Officers to the recommendations in the committee's interim and final reports, tabled in June (2012 interim report) and November 2012 (2012 final report), respectively. Chapters 3 and 4 of this report consider DPS' responses to individual recommendations in more detail.

#### *Response to the 2012 interim report*

2.2 The 2012 interim report contained one recommendation, namely, that the Commonwealth Government provide DPS with a one-off additional appropriation of \$100,000 to be used, together with the existing DPS allocation of funds, for the completion of the document, *The Architect's Design Intent for Parliament House, Canberra: Central Reference Document (CRD)*, by Ms Pamille Berg.

2.3 The CRD was commissioned by the Joint House Department (JHD), the predecessor to DPS which had responsibility for maintaining Parliament House and managing its facilities. The intention of the CRD was that it 'should stand as a basic record of the Architect's design intent to be utilized in the assessment and management of proposals for change and maintenance for the specified 200-year lifespan of the Parliament House building'.<sup>1</sup>

2.4 The history of the development of the CRD was outlined in the 2012 interim report.<sup>2</sup> To summarise, following commissioning of the CRD in 1999 a draft document was completed in 2004, consisting of 31 chapters. At the time the committee tabled the interim report in June 2012, the CRD was still not complete. Ms Berg estimated that there was still a substantial amount of work to be done on the CRD which would take approximately two years.<sup>3</sup>

2.5 The government response to the committee's recommendation in the 2012 interim report on the completion of the CRD was:

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1 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Service: Interim Report*, June 2012, pp 55-56, quoting Ms Pamille Berg, *Submission 13*, p. 3.

2 See Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Service: Interim Report*, June 2012, pp 55-59.

3 See Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Service: Interim Report*, June 2012, p. 58.

Any proposal for this purpose brought forward by the Presiding Officers, in the 2014-15 Budget context, would be considered at that time.<sup>4</sup>

2.6 In its submission, DPS stated that it 'does not intend to complete the CRD at this stage'.<sup>5</sup> At the public hearing on 17 November 2014 the then Secretary of DPS, Ms Carol Mills, advised that DPS had applied for additional funding for the completion of the CRD, but had not been successful in obtaining that funding. Subsequently, DPS had set aside funding for the completion of the CRD, but has prioritised the completion of other documentation in relation to heritage management above the completion of the CRD.<sup>6</sup>

2.7 The CRD remains uncompleted. Further discussion on the CRD is set out in Chapter 3 in the context of the broader heritage management issues at Parliament House.

### ***Response to the 2012 final report***

2.8 The 2012 final report made 23 recommendations. In February 2013, DPS tabled its response to the 2012 final report, stating it supported 20 of the 23 recommendations.<sup>7</sup> Of the remaining three recommendations DPS indicated:

- the Presiding Officers would consider matters in relation to the oversight of funding and administration of DPS (Recommendation 1);
- DPS would consult with the Australian National Audit Office (ANAO) in relation to the Auditor-General undertaking an audit of DPS' contract development and management (Recommendation 20); and
- consideration of exempting DPS from further additional efficiency dividends was a matter for government (Recommendation 23).

2.9 The responses to Recommendation 1, 20 and 23 are discussed below, before moving on to consideration of DPS' progress in responding to the remaining 20 recommendations in the 2012 final report.

### ***Oversight of funding and administration of DPS (Recommendation 1)***

2.10 Recommendation 1 of the 2012 final report recommended that the funding and administration of DPS should be overseen by the Senate Appropriations and Staffing Committee and the House Appropriations and Administration Committee meeting jointly for that purpose, and that standing orders should be amended as appropriate.

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4 Government Response to the Senate Finance and Public Administration Legislation Committee Interim Report into the performance of the Department of Parliamentary Services, July 2013, p. 2.

5 *Submission 1*, p. 1.

6 *Committee Hansard*, 17 November 2014, pp 7-9.

7 See DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013.



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2.11 In response, DPS stated that it supported 'an appropriate level of scrutiny and advocacy for its role within the parliamentary system'.<sup>8</sup> DPS then outlined four layers of parliamentary accountability under which DPS operates, namely:

- the direct line of accountability between the Presiding Officers and the Secretary of DPS, as well as advisory committees such as the Security Management Board, the Joint Library Committee and the Parliamentary Information and Communications Technology (ICT) Advisory Board;
- the Joint House Committee, comprising the separate House committees of the Senate and the House of Representatives;
- this committee, the Senate Finance and Public Administration Legislation committee; and
- the Parliament itself, under the statute and resolutions requiring the Parliament to be involved in parliamentary administration and the activities of DPS.<sup>9</sup>

2.12 DPS' response concluded:

In this context the Presiding Officers will consider whether alternative mechanisms for both accountability and advocacy should be established either along the lines recommended by the Committee or as a stand-alone arrangement. In the Interim, the Presiding Officers will continue to affect accountability on the Department Secretary as specified in the [*Parliamentary Service Act 1999*] and will closely monitor the performance of the Secretary in the delivery of her duties.<sup>10</sup>

2.13 The then President of the Senate, Senator the Hon John Hogg, in responding to the 2012 final report indicated that, in the first instance, Recommendation 1 would be considered by the Senate Appropriations and Staffing Committee. The President stated that he would bring the recommendation to the attention of that committee for its consideration.<sup>11</sup>

2.14 The Appropriations and Staffing Committee considered the matter in a meeting on 15 May 2013. The President advised the Appropriations and Staffing Committee that the Senate's House Committee 'would be convened to undertake

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8 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 2.

9 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, pp 2-3.

10 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 3.

11 President of the Senate's response to the Senate Finance and Public Administration Legislation Committee report into the performance of the Department of Parliamentary Services, 21 March 2013. The Senate Appropriations and Staffing Committee is now the Senate Appropriations, Staffing and Security Committee.

oversight of the provision of services to Senators by the Department of Parliamentary Services and the Department of the Senate'.<sup>12</sup>

2.15 On 14 May 2013, the House Committee met and received a briefing from the Secretary of DPS. A report of that meeting states the President called the meeting following the tabling of the committee's report of the previous inquiry into the performance of DPS:

In particular, this meeting would be a useful mechanism for Senators to raise concerns about services and facilities which could then be forwarded to the Joint House Committee.<sup>13</sup>

2.16 The Secretary of DPS briefed the House Committee on various aspects of services and facilities provided by DPS, including progress made in relation to heritage issues.<sup>14</sup>

2.17 The House Committee met again on 11 February 2014 and received another briefing by the Secretary of DPS. The House Committee's report of this meeting states:

As part of this briefing, [the Secretary of DPS] noted that DPS is under significant financial pressure and that while...

The [House] Committee noted the importance of all parliamentary departments being adequately funded to carry out their primary function of supporting the Parliament.<sup>15</sup>

2.18 The committee understands there has been no formal steps to implement the oversight of DPS' funding and administration as set out in Recommendation 1 of the 2012 final report. Further discussion about budget-setting for DPS is in Chapter 5.

*Audit by the Australian National Audit Office (Recommendation 20)*

2.19 Recommendation 20 of the 2012 final report recommended DPS consider approaching the Auditor-General to undertake an audit of DPS' contract development and management.

2.20 In its response, while not stating that it supported the recommendation, DPS indicated it would 'approach the Auditor-General to seek his views on the best way to undertake an evaluation of DPS contract development and management, including a potential timetable for the evaluation'.<sup>16</sup>

2.21 The Australian National Audit Office (ANAO) subsequently conducted an audit of DPS' management of contracts and assets at Parliament House and a report

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12 Senate Appropriations and Staffing Committee, *Annual Report 2012-13*, p. 4.

13 House Committee of the Senate, *Report*, June 2013, p. 1.

14 House Committee of the Senate, *Report*, June 2013, p. 1.

15 House Committee of the Senate, *Report*, May 2014, p. 1.

16 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 15.

for the audit was tabled in February 2015.<sup>17</sup> The then Auditor-General, Mr Ian McPhee AO PSM and ANAO officers appeared at a public hearing on 2 March 2015 to discuss the ANAO's report with the committee. The committee's first interim report, tabled in May 2015, discussed the ANAO's report and evidence at the public hearing in some detail. The committee does not intend to repeat at length that material in this report, however, the committee will refer to the ANAO's report where it is relevant to specific matters discussed in this report.

*Exemption from one-off, additional efficiency dividends (Recommendation 23)*

2.22 Recommendation 23 of the 2012 final report recommended that the government exempt DPS from any future one-off, additional efficiency dividends. DPS gave in-principle support for the recommendation, but noted that it was a matter for the government to respond.<sup>18</sup> The government response to the committee's report did not support this recommendation, stating that 'Budget decisions are a matter for government consideration at the relevant time'.<sup>19</sup>

*Progress in addressing remaining recommendations*

2.23 DPS' submission to the inquiry in September 2014 outlined progress against the recommendations from the previous inquiry. At that stage, although work was underway in addressing the recommendations, it was clear that there was still substantial work to be done to fully complete the work pursuant to the recommendations.

2.24 DPS' submission highlighted difficulties as a result of a lack of funding in addressing some recommendations, but noted that additional funding from the 2014-15 Budget would assist in accelerating changes.<sup>20</sup>

2.25 As noted in the committee's first interim report, the ANAO considered DPS' efforts to address the recommendations in the 2012 interim and final report.<sup>21</sup> The ANAO acknowledged the 'considerable resources' that DPS had invested in responding to the committee's reports. However, the ANAO was critical of the changes which had occurred. For example, the ANAO stated that changes to heritage management practices 'lacked continuity, and the department was unable to demonstrate broad or systemic consideration of cultural or heritage value in making changes to the building[.]'<sup>22</sup> In relation to contract management, the ANAO

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

18 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 18.

19 Government response to the Senate Finance and Public Administration Legislation Committee Final Report into the performance of the Department of Parliamentary Services, July 2013, p. 2.

20 *Submission 1*, p. 9.

21 See Senate Finance and Public Administration Legislation Committee, *Department of Parliamentary Services: Interim report*, April 2015, pp 7-10.

22 ANAO, *Managing Assets and Contracts at Parliament House: Department of Parliamentary Services*, Performance Audit Report No. 24, 2014-15, p. 16.

commented there had been 'little improvement in the department's contract management framework, processes or capability since the [2012 final report]'.<sup>23</sup>

2.26 In May 2015 DPS provided the committee with an update of its progress against the committee's recommendations from the last inquiry. A copy of that update is available at Appendix 4.

2.27 That update identified three items still outstanding at that time:

- the Presiding Officers tabling of a biennial report devoted specifically to the building and its contents including information on the condition of the building and its contents, costs of upkeep of the building, heritage concerns and any other related matter so as to fully inform the Parliament and the public about the building (Recommendation 13);
- DPS undertaking an audit of fire safety in Parliament House and consider reviewing the standard of building documentation (Recommendation 15); and
- The Security Management Board reviewing the criteria for the issue of photographic security passes for Parliament House (Recommendation 21).

### ***Committee view***

2.28 The committee has previously expressed its frustration at DPS' slow rate of progress in addressing the recommendations from the committee's 2012 reports. While DPS now reports that it has completed its response to all but three of the committee's recommendations, the committee has reservations. In the following chapters of this report the committee will consider DPS' response to specific recommendations from the previous inquiry.

### **Senior management structure of DPS**

2.29 There have been significant changes to DPS' executive structure since Ms Mills took up the position of Secretary of DPS in May 2012. These changes to the management structure took place alongside, and in some cases as part of, DPS' implementation of its response to the committee's previous inquiry.

2.30 In October 2012, Ms Mills addressed the committee at the Supplementary Budget Estimates hearing foreshadowing plans to change the executive structure of the department:

I very much see [DPS] as a service department. We are here to provide services to and for the parliament, both directly to members, senators, staffers and residents of this building and electorate offices, and to others more broadly, but also the wider Australian community, which has a vested interest in the performance of parliament. We do that in a number of different ways. It is my belief that the way the organisation was structured was not enabling us to provide those services to best effect and I have commenced a realignment of the functions inside the organisation. That will proceed over the next few months. It has commenced with some

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23 ANAO, *Managing Assets and Contracts at Parliament House: Department of Parliamentary Services*, Performance Audit Report No. 24, 2014-15, p. 16.

changes to our executive structure. There is an interim arrangement for a leadership team. A number of [Senior Executive Service (SES)] officers left the department recently as part of those changes.<sup>24</sup>

2.31 In the Secretary's review for the 2012-13 DPS Annual Report, Ms Mills provided an update on the 'transformational change agenda to reshape DPS into a more professional, outward-looking and service-focused department'.<sup>25</sup> Ms Mills wrote:

Appointments to the new senior leadership team were made throughout 2012–13, enabling us to begin our structural realignment and to put in place the organisational building blocks for the transformation of DPS. This included the appointment of the first Chief Information Officer (CIO) for the Parliament. Work units have been regrouped to improve clarity of function and strengthen strategic planning, project delivery and reporting capabilities...

New measures brought in to realign DPS management structures, strengthen ethical behaviour in the workplace, and refresh corporate planning processes took shape throughout the year...<sup>26</sup>

2.32 At the Additional Estimates hearing in February 2014 the committee sought further information about changes Ms Mills had made to the executive structure of the department. On notice, DPS advised there had been a net increase of five Senior Executive Service (SES) positions.<sup>27</sup>

2.33 DPS gave the following explanation for the increase in SES positions

These changes were introduced to improve the performance of [DPS] by bringing business areas into clearer functional alignments; increase levels of accountability; drive performance improvements; target specific areas of weakness in ICT, security, heritage and contract management. The changes also addressed the findings of the Senate Finance and Public Administration Legislation Committee report [in November 2012] – particularly with regard to leadership weaknesses – and the Roche Review – which led to the transfer of ICT functions from the chamber departments and the Department of Finance to DPS.<sup>28</sup>

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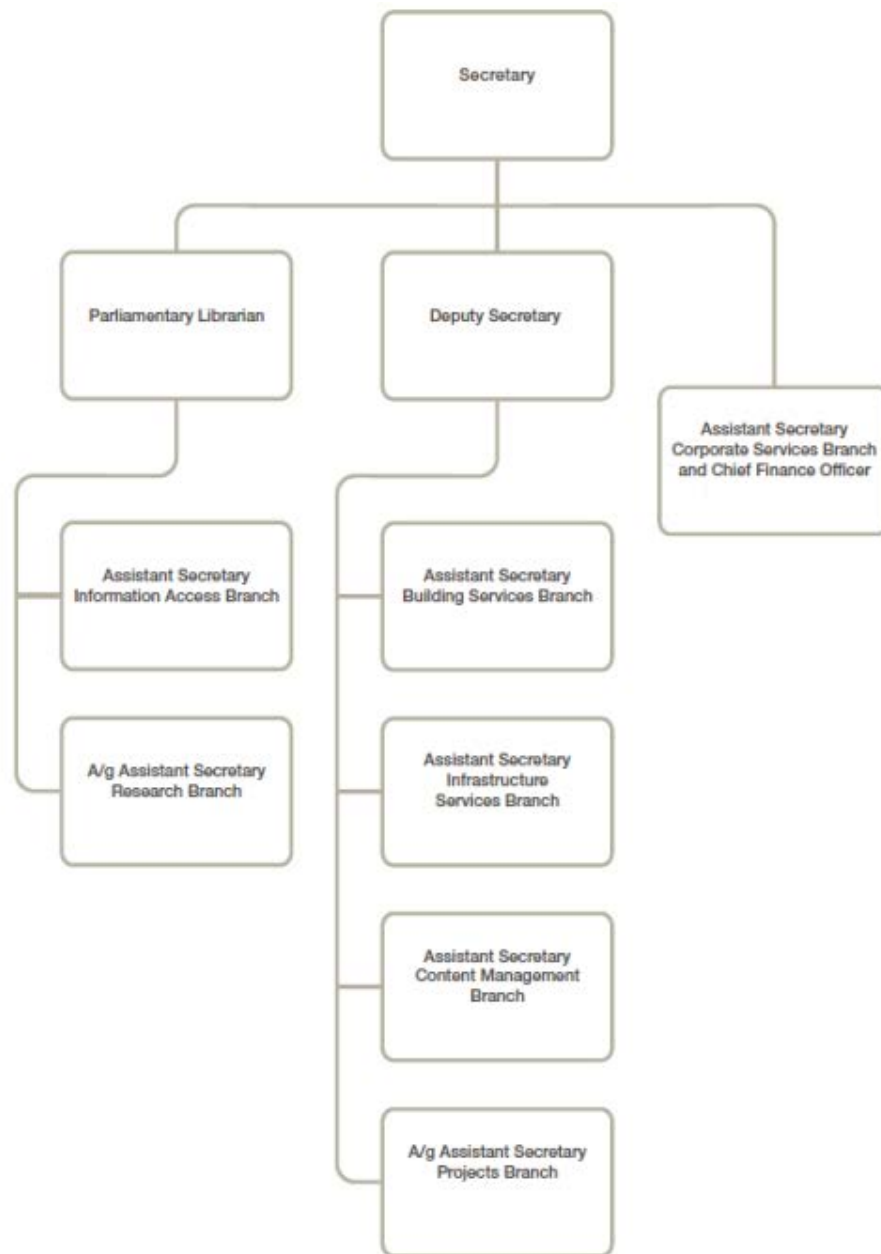
24 Senate Finance and Public Administration Legislation Committee, *Estimates Hansard*, 15 October 2012, p. 34.

25 Department of Parliamentary Services (DPS) Annual Report 2012-13, Secretary's review, p 1.

26 DPS Annual Report 2012-13, Secretary's review, p. 2.

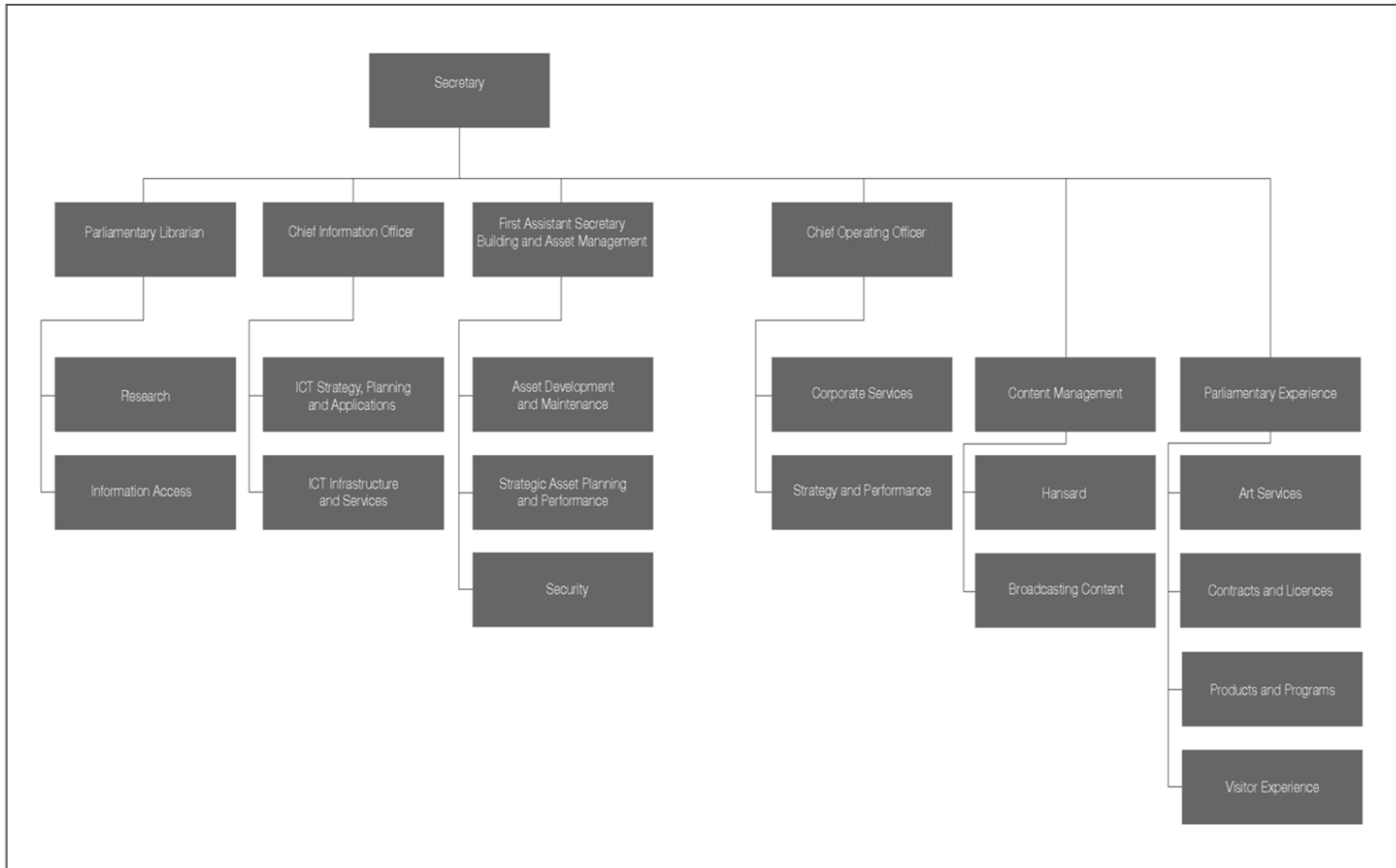
27 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2013-14, Department of Parliamentary Services, *Answer to question on notice No. 135*.

28 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2013-14, Department of Parliamentary Services, *Answer to question on notice No. 135*. The Roche Review was a review of information and communication technology for the Parliament which was initiated by the Presiding Officers and carried out by Mr Michael Roche. The Roche Review was completed in August 2012 and tabled by the then President of the Senate, Senator the Hon John Hogg, during the Supplementary Budget Estimates 2012-13 hearings in October 2012.



**Figure 1: DPS Departmental Structure as at 30 June 2012,**

Source: *DPS Annual Report 2011-12*, October 2012, p. 7.  
(Names of individuals holding positions have been removed)



**Figure 2: DPS Departmental Structure as at 30 June 2014**

Source: *DPS Annual Report 2013-14*, October 2014, pp 16-17.  
(Names of individuals holding positions have been removed)

2.34 The additional cost of the five SES positions was approximately \$1.3 million per annum and was partly covered by the transfer of \$22 million in funding for ICT to DPS and 'more than offset by a range of measurable efficiency and effectiveness benefits'.<sup>29</sup> The committee had previously been told, prior to the implementation of the new executive structure, there would be no net cost increase for the new SES positions:

From July 2013, DPS' structure will be somewhat different from what it was in July 2012. However, it is too early in the change process to identify the specific staffing profile for 2013-14 – other than the changes at the [SES] level, which will be at no net cost increase, as positions created have replaced positions abolished.<sup>30</sup>

2.35 Since February 2014, it would appear that two further SES positions have been added to the DPS organisational structure, namely the position of Chief Operating Officer and the Assistant Secretary, Program Delivery Branch.<sup>31</sup>

2.36 In February 2015 the Australian National Audit Office (ANAO) noted, as part of its audit of the management of contracts and assets at Parliament House, there had been a delay in recruiting people to some of the key executive positions.<sup>32</sup> At the public hearing on 2 March 2015 Ms Mills outlined some of the difficulties in recruiting to some positions:

There are a variety of reasons that we have not been able to recruit to these jobs including the time it takes in government and, I have to say, partly the reputation of the department and the challenge of people wanting to come here and tackle a department that had had such a negative report released in November [2012].<sup>33</sup>

2.37 However, Ms Mills spoke highly of the executives that had been recruited:

Although it has taken time, having taken that time I am very comfortable to say here today that the management team that sits around me is a strong one

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29 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2013-14, Department of Parliamentary Services, *Answer to question on notice No. 135*.

30 Senate Finance and Public Administration Legislation Committee, Supplementary Budget Estimates 2012-13, Department of Parliamentary Services, *Answer to question on notice No. 173*.

31 The creation of the Chief Operating Officer position was not mentioned in the Additional Estimates 2013-14, Department of Parliamentary Service, *Answer to question on notice No 135* which was provided in April 2014. However the DPS organisational structure as at 30 June 2014 did include the position of Chief Operating Officer, see DPS Annual Report 2013-14, pp 16-17. In April 2015, DPS provided a submission to the committee's inquiry into the proposed Parliament House security upgrade works which noted that a separate branch and Assistant Secretary had been established as a non-ongoing reportable entity within the DPS Executive, see Senate Finance and Public Administration Legislation Committee, Inquiry into the Parliament House security upgrade works, *Submission 6*, p. 5.

32 Australian National Audit Office (ANAO), *Managing Contracts and Assets at Parliament House: Department of Parliamentary Services*, 2014-15, Report No. 24, p. 42.

33 *Committee Hansard*, 2 March 2015, p. 19.



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and one dedicated to making the changes—not just committing to them, but actually achieving them.<sup>34</sup>

2.38 The ANAO noted the delay in recruiting appropriately skilled staff had slowed the implementation of some initiatives to address recommendations in the 2012 final report.<sup>35</sup>

***Committee view***

2.39 The committee accepts that the management structure for DPS prior to May 2012 was in need of restructure. In fact, in its final report of the previous inquiry the committee noted:

If DPS is to move forward, it must attract appropriately qualified staff. Improvements in processes and the new structure being implemented by Ms Mills will go far in improving the image of DPS.<sup>36</sup>

2.40 Unfortunately, it appears the expectation the committee had for an improvement in the image of DPS has not come to fruition. As Ms Mills noted in her evidence, DPS has had difficulty in attracting suitably qualified people to work for the department. Presumably, the recent ANAO report and additional attention on DPS as a result of issues pursued during this inquiry would not have assisted DPS' image with prospective employees.

2.41 On this point, the committee agrees with the observation by Mr Ian McPhee AO PSM, then Auditor-General, at the public hearing on 2 March 2015:

While having the right governance structures and processes in place is important, it is an entity's people who achieve excellence and drive change. A vital role for senior executives is to set the right tone at the top and to reinforce entity values, enthusiasm for good governance and a focus on performance and accountability. More work also needs to be done to build cohesion and engagement between DPS management and staff over the longer term to encourage constructive working relationships within an environment of ongoing parliamentary and public scrutiny.<sup>37</sup>

2.42 On a separate issue, the committee notes that the current DPS management structure has up to seven more SES positions than in May 2012. While the management structure prior to May 2012 would appear to have been inadequate, the committee does not believe that the addition of many more SES positions has necessarily brought a commensurate improvement in management within DPS.

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34 *Committee Hansard*, 2 March 2015, p. 20.

35 ANAO, *Managing Contracts and Assets at Parliament House: Department of Parliamentary Services*, 2014-15, Report No. 24, p. 23.

36 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services: Final report*, November 2012, p. 212.

37 *Committee Hansard*, 2 March 2015, pp 1-2.

2.43 Given the impending consultations on the position of the Secretary and the structural review of DPS, the committee has decided it will not comment further on the changes made to the DPS senior management since May 2012 in this report.

2.44 However, the committee intends to follow the progress of the structural review and any changes made to the senior management structure of DPS as a result. To this end, the committee would like DPS to provide it with information about any changes to the senior management structure, including the movement of personnel, prior to each estimates hearing. The provision of this information is consistent with information provided by other parliamentary departments, namely the Department of the Senate and the Parliamentary Budget Office, which both provide the committee with updates on particular administrative matters prior to estimates hearings.

### **Recommendation 1**

**2.45 The committee recommends that prior to each estimates hearing, DPS provide an update on the senior management structure of the department, including an organisational chart indicating changes to the personnel in senior executive staff positions.**

## Chapter 3

### Heritage management, building and asset management and contract management

#### Heritage management

3.1 In its final report for the previous inquiry, the committee observed that the vast majority of change to the Parliament House building, and the maintenance of heritage values, is the responsibility of the Department of Parliamentary Services (DPS). The committee concluded:

...DPS has not undertaken this important role to the standard required by the Parliament, with the building being subject to many largely unchecked decisions relating to architectural changes, configuration, design, décor, furniture selection and disposal. There has been a lack of proper regulated heritage assessment policies and a misunderstanding of the intrinsic value of some items to the building and overarching design integrity.<sup>1</sup>

3.2 The committee welcomed the intention of the then Secretary of DPS, Ms Carol Mills, to make a significant shift in the way in which DPS approached its responsibility for the building, with a heritage management approach to be taken to planning and the overarching design of the building.<sup>2</sup>

3.3 In the following section of the report the committee considers the changes to the heritage management of the building which have occurred since its final report in 2012.

#### *Conservation Management Plan and Design Principles*

3.4 The committee's previous inquiry considered the Parliament House Heritage Management Framework (Framework), which was approved by the Presiding Officers in November 2011:

The Heritage Management Framework provides underpinning principles to respond to the changing requirements of a working building. The framework provides guidance for making decisions in relation to the management of the Parliament House building, including its landscaped gardens, and commissioned furniture, fabrics, artworks and craft.<sup>3</sup>

3.5 The Framework provided for the establishment of a Heritage Advisory Board, which had as members the Secretary of DPS, Usher of the Black Rod and the

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1 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services: Final report*, November 2012, p. 212.

2 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary services: Final report*, November 2012, pp 213-214.

3 DPS, Parliament House Heritage Management Framework 2011, p. 2. See also Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary services: Interim report*, June 2012, pp 37-39.

Serjeant-at-Arms. The primary function of the Heritage Advisory Board was to provide advice to the Presiding Officers on the heritage management of Parliament House.<sup>4</sup>

3.6 The committee's 2012 interim and final reports noted the criticism of a number of organisations and experts of the Framework. In October 2012, prior to the committee tabling its final report, Ms Mills indicated that the Framework would be replaced. Ms Mills informed the committee that there was a need for a more robust process for long-term planning for the building and a strengthened framework:

I have proposed and it was endorsed by the Heritage Advisory Board in October that we should commence immediately the development of a conservation management plan for the building based on the Burra Charter principles...It is my recommendation and, as I said, which has been endorsed, that we would develop a set of design principles, hopefully in consultation and active participation of the architect and the architecture team who were originally involved, so that we have a full set of what I might call [a] permanent record of the core design principles around landscape, lighting, the building design, the furniture integrity and so on.<sup>5</sup>

3.7 Further detail on the Conservation Management Plan (CMP) and the Design Principles was provided in DPS' Annual Report 2013-14:

The CMP will help deliver an integrated approach to the medium and long term management and conservation of Parliament House. It will set out the heritage values for the building and its furnishings, including the intangible heritage values connected with significant events, [and] associations created as part of its living history. The CMP will also establish supporting policies and strategies, and monitoring and reporting regimes to ensure the building is managed appropriately to both protect these heritage values and to provide a functional environment which meets the needs of a working Parliament...

[The Design Principles] will become a permanent reference source for the conservation of the building, its contents and surrounds. It will be used to clarify original design intent, manage proposals for change and influence planning controls for Parliament House.<sup>6</sup>

3.8 DPS' Annual Report 2013-14 outlined the status of the CMP and the Design Principles at that time, stating that a contract had been awarded for the Design Principles in April 2014 and for the CMP in May 2014.<sup>7</sup> DPS anticipates that both documents will be completed around the middle of 2015.<sup>8</sup>

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4 DPS Annual Report 2012-13, p. 66.

5 *Committee Hansard*, 30 October 2012, p. 6.

6 DPS Annual Report 2013-14, p. 47.

7 DPS Annual Report 2013-14, p. 47.

8 Mr Garry Gordon, Assistant Secretary, Strategic Asset Planning and Performance Branch, DPS, *Committee Hansard*, 16 March 2015, p. 29.

3.9 In its report on the management of assets at Parliament House, the Australian National Audit Office (ANAO) noted that, with the Framework abandoned and the CMP yet to be completed, 'there has not been an overarching framework guiding the management of heritage values in Parliament House since October 2012'.<sup>9</sup>

3.10 In evidence to the committee, Mr Andrew Morris, Executive Director, Performance Audit Services Group, ANAO, made the following observations about the effect of the lack of guidance on heritage management:

By the time [the ANAO] went to do the audit, we would have expected to see quite a sophisticated system in place for heritage management; or at least be able to have good visibility about what the policies and procedures were, how they had gone about making assessments, what the criteria were for an assessment and then what the assessments had found. I think it made it more difficult for [DPS] that the heritage management framework was disbanded fairly quickly after it had been set up. Nevertheless, they did have a heritage management team and they had a precursor to that team. We really would have expected more consistency across capital works and the particular heritage items. We were looking for some sort of evaluation of the heritage management and some repository of heritage assessments. We could not see that. I know that they are building towards this at this time. But that lack of a framework for the 18 months or two years really has stopped their progress.<sup>10</sup>

### ***Heritage Advisory Board and the Expert Advisory Panel***

3.11 In addition to endorsing the development of a CMP and the Design Principles, the Heritage Advisory Board also endorsed the establishment of an independent Expert Advisory Panel. The role of the Expert Advisory Panel is:

[T]o help guide the preparation of the Design Principles and the CMP, using a best practice approach to ensure that a practical document is prepared that will retain the heritage significance of the building while managing change.<sup>11</sup>

3.12 The Heritage Advisory Board was subsequently discontinued in June 2014.<sup>12</sup> The ANAO provided the following assessment of the work of the Heritage Advisory Board:

[Heritage Advisory Board] minutes, including the action items, indicate that the board only partially fulfilled its roles. [The board] only provided limited advice to the Presiding Officers on heritage matters and was disbanded before the development of the final CMP and design principles. With the [board] disbanded, the board's roles were reallocated within DPS to the

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9 Australian National Audit Office (ANAO), *Managing Assets and Contracts at Parliament House, Department of Parliamentary Services*, No. 24, 2014-15, p. 18.

10 *Committee Hansard*, 2 March 2015, p. 5.

11 DPS Annual Report 2012-13, p. 66.

12 Mr Garry Gordon, Assistant Secretary, Strategic Asset Planning and Performance Branch, DPS, *Committee Hansard*, 16 March 2015, p. 18.

Building and Maintenance Division, with the final CMP to be approved by the Presiding Officers.<sup>13</sup>

3.13 DPS has also established a dedicated heritage management team to 'focus on the management of heritage and moral rights obligations'.<sup>14</sup> Mr Garry Gordon, Assistant Secretary, Strategic Asset Planning & Performance Branch DPS, set out the experience of the heritage management team:

[P]eople were brought in from various departments with a wide range of skills, including, a detailed knowledge of the [*Environment Protection and Biodiversity Conservation Act 1999*]. People were recruited with museum experience, and we also have people with longstanding knowledge of the building already in the team around the design and the design of the building itself.<sup>15</sup>

### ***Central Reference Document***

3.14 As discussed in Chapter 2, during the course of this inquiry the committee pursued the progress of *The Architect's Design Intent for Parliament House, Canberra: Central Reference Document* (CRD), which was the subject of the committee's only recommendation in its 2012 interim report. DPS' submission indicated that the completion of the CRD was not a priority for the department and that the focus was now on developing the CMP:

[The CRD] does not include conservation policies and strategies, or management guidelines. While it was originally felt that the CRD could be used as a management document, its structure and narrative style is not suited for this purpose.

[DPS] has engaged heritage expertise to prepare a Conservation Management Plan (CMP). The CMP will...apply heritage best practice principles to the management of the heritage values of Parliament House (which include the design values of the building). A CMP is the recognised industry best-practice tool to manage the heritage values of a place. The CMP will help deliver a holistic and integrated approach to the medium and long term management and conservation of Parliament House. The principal architect of Parliament House, Mr Romaldo Giurgola AO, is being consulted during this process.

The development of the CMP is considered the highest priority for managing the heritage of Parliament House. DPS has allocated funds to the development of the CMP, rather than completion of the CRD, as the CMP will provide clear management guidance. DPS does not intend to complete the CRD at this stage. However, the CRD will be one of the primary source

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13 ANAO, *Managing Assets and Contracts at Parliament House, Department of Parliamentary Services*, No. 24, 2014-15, p. 61.

14 Mr Neil Skill, First Assistant Secretary, Building and Asset Management Division, DPS, *Committee Hansard*, 17 November 2014, pp 2-3.

15 *Committee Hansard*, 16 March 2015, p. 18.

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documents used to develop the CMP, as well as remaining as a valuable resource document.<sup>16</sup>

3.15 DPS' submission indicated that, like the CMP, the Design Principles 'are to be generated from the work of, and discussions with Mr Giurgola'.<sup>17</sup>

3.16 At the public hearing on 17 November 2014, the committee sought clarification as to whether the CRD had been abandoned. Mr Neil Skill, then First Assistant Secretary, Building and Asset Management, DPS, stated:

The CRD is already a substantial multivolume work and is one of the primary source documents being used to develop the CMP as well as remaining a valuable resource document. The next steps in the development of the CRD will be considered in the new year [2015], drawing on the learnings of the CMP project.<sup>18</sup>

3.17 As noted in Chapter 2, DPS was not successful in securing the additional funds to complete the CRD pursuant to the committee's recommendation in its 2012 interim report. However, Ms Mills confirmed that DPS has sufficient funds set aside without requiring a new policy proposal (NPP), to complete the CRD once the CMP is complete:

[DPS] do not require an NPP to enact the spirit of the recommendation [in the committee's interim report of June 2012], which is to fund and complete the CRD...

[DPS] sought the money at the time [of the committee's recommendation] and we were unable to secure it. We are conscious and committed to doing all of the necessary support and documentation for this building. We are doing it in a staged process. We expect to have the CMP completed early in 2015 and we will then sequentially, as we committed to two years ago, move to completing the CRD, and we have set funds aside. Due to the ability of the department to provide funding, we now have \$15 million additional recurrent operating funds thanks to the government decision in the budget for this year that allows us to do this type of work.<sup>19</sup>

3.18 Ms Mills reiterated the point that the completion of the CRD would be considered following completion of the CMP and the Design Principles:

[DPS] were going to prioritise doing the conservation management plan and also the design principles, which absolutely require the active involvement of Mr Giurgola. Once those two are completed, which we anticipate being early in the New Year, we will then review what aspects of the CRD still require additional work, and we would then look to progress those.<sup>20</sup>

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16 *Submission 1*, p. 1.

17 *Submission 1*, p. 1.

18 *Committee Hansard*, 17 November 2014, p. 4. See also Ms Carol Mills, Secretary, DPS, *Committee Hansard*, 17 November 2014, p. 7.

19 *Committee Hansard*, 17 November 2014, p. 9.

20 *Committee Hansard*, 17 November 2014, p. 7.

3.19 At the public hearing on 16 March 2015, Mr Garry Gordon, Assistant Secretary, Strategic Asset and Performance Branch, DPS, informed the committee that the CMP and the Design Principles were being worked on in parallel and once those two documents were completed DPS 'will have a good understanding of what information we may need to explore for the [CRD]'.<sup>21</sup> Mr Gordon then stated that the CRD would be completed 'after or in parallel with the last stages' of the CMP and the Design Principles and that DPS was hoping to start work on the CRD this financial year, that is 2014-15, but the work is likely to extend into the next financial year.<sup>22</sup>

3.20 The committee expressed concern about Mr Giurgola's ability to participate in the completion of the CRD, given his age and health. Ms Mills noted that while the CRD required Mr Giurgola's input, the original authors of the CRD, Ms Berg and Mr Hal Guida, had worked with Mr Giurgola.<sup>23</sup>

### ***Moral rights consultations***

3.21 The committee's 2012 interim and final reports considered the manner in which DPS has carried out its obligations to consult with Mr Giurgola, as the moral rights holder of the design of Parliament House, under the *Copyright Act 1968*. The committee concluded that DPS' consultations with the building architect have been 'less than satisfactory, and could even be viewed as disrespectful, dismissive and contravening the requirements of the *Copyright Act 1968*'.<sup>24</sup> Further:

[The] committee [considered] that Mr Giurgola has continued, despite difficulties, to provide DPS with constructive input to projects. Often this appears to have taken a great deal of his time and has been provided without charge to DPS'.<sup>25</sup>

3.22 The committee welcomed Ms Mills' commitment to changing the style of engagement with Mr Giurgola.<sup>26</sup>

3.23 The committee has not directly considered DPS' consultations with Mr Giurgola as the moral rights holder during the course of this inquiry. However, the committee did receive some evidence about the moral rights consultations for the security works around the Ministerial wing, during the course of its inquiry into the proposed Parliament House security upgrade works.<sup>27</sup>

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21 *Committee Hansard*, 16 March 2015, p. 29.

22 *Committee Hansard*, 16 March 2015, pp 29-30.

23 *Committee Hansard*, 17 November 2014, p. 7.

24 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary services: Final report*, November 2012, p. 213.

25 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary services: Final report*, November 2012, p. 213.

26 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary services: Final report*, November 2012, p. 213.

27 See Senate Finance and Public Administration Legislation Committee, *Proposed Parliament House security upgrade works*, June 2015, pp 13-16.



3.24 The committee notes that moral rights consultations for the design of Parliament House are now carried out by Mr Giurgola's nominees. In the case of the security works, the primary contact for this consultation was Ms Berg.<sup>28</sup>

3.25 In its report on the proposed Parliament House security upgrade works, the committee expressed its disappointment that the urgency of parts of those works meant that while the required moral rights consultation were undertaken, there was no opportunity for the so-called 'nice to have' consultations.<sup>29</sup>

### *Committee view*

3.26 It is now approaching three years since the then Secretary of DPS announced the development of the CMP and the Design Principles. It is well over 12 months since the contracts for these documents were awarded and yet the CMP and the Design Principles are still not finished.

3.27 Meanwhile, the CRD, which the committee recommended should be completed nearly three years ago, languishes awaiting the finalisation of the CMP and the Design Principles.

3.28 In the absence of any form of overarching documentation on heritage management there is reluctance within DPS to put in place any subordinate policies and procedures for heritage management and, more generally, 'absence of coordinated work' in this area.<sup>30</sup>

3.29 DPS' achingly slow progress on finalising these documents has been to the detriment of the heritage management of Parliament House. In the committee's view, DPS' glacial progress on these matters has severely curtailed its ability to engage with Mr Guirgola and to benefit from his full participation in the consultation processes to develop all three of these documents.

3.30 The committee is at a loss as to what further can be done in order to impress upon DPS the importance of having these three key documents finished as soon as possible. In relation to the CRD, the committee notes that Ms Berg has stated that it will take a further two years to complete. The committee accepts Ms Berg's estimate as an appropriate timeframe for completion of the CRD.

3.31 Further, until such time as the CMP, the Design Principles and the CRD are complete, DPS should provide to the committee, prior to each estimates hearing, an update on the status of each of these documents.

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28 Senate Finance and Public Administration Legislation Committee, *Proposed Parliament House security upgrade works*, June 2015, p. 15.

29 Senate Finance and Public Administration Legislation Committee, *Proposed Parliament House security upgrade works*, June 2015, p. 22.

30 See Mr Andrew Morris, Executive Director, Performance Audit Services Group, ANAO, *Committee Hansard*, 2 March 2015, p. 5.

## **Recommendation 2**

**3.32 The committee recommends that DPS dedicate the necessary resources to have the final Conservation Management Plan and the Design Principles completed by 30 October 2015 and take the necessary steps to have the Central Reference Document completed by 30 September 2017.**

## **Recommendation 3**

**3.33 The committee recommends that prior to each estimates hearing, DPS provide the committee with an update of the status of the Conservation Management Plan, the Design Principles and the Central Reference Document. These updates should continue to be provided until such time as all three documents are complete.**

3.34 The committee notes that there has been some improvement in the manner in which DPS has carried out its obligations with regards to moral rights consultations. The committee notes that DPS is endeavouring to have an 'ongoing conversation' with Mr Giurgola and his nominees with regard to all works on which moral rights consultation is required.<sup>31</sup> The committee is of the view it should be a very rare circumstance where the so-called 'nice to have' discussions in conjunction with the required moral rights consultation would not occur.

## **Building and asset management**

3.35 In its 2012 final report, the committee was highly critical of DPS' management of the Parliament House building and assets. The committee made a number of recommendations in relation to building and asset management, including:

- that the Presiding Officers table in both Houses, on a biennial basis, a report devoted specifically to the building and its contents including information on the condition of the building and its contents, costs of upkeep of the building, heritage concerns and any other related matter (Recommendation 13);
- DPS undertake capability reviews in relation to design integrity, project management and technical areas including fire safety and engineering services (Recommendation 14);
- DPS undertake an audit of fire safety in Parliament House and consider reviewing the standard of building documentation (Recommendation 15); and
- DPS undertake a full audit of the Parliament House status A and B furniture with particular regard to condition, conservation measures, use of furniture and past disposal practices (Recommendation 17).

3.36 As noted in Chapter 2, in the update provided by DPS in May 2015, both Recommendations 13 and 15 are yet to be completed.

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31 Mr Neil Skill, First Assistant Secretary, Building and Asset Management Division, DPS, *Committee Hansard*, 14 May 2015, p. 4. This hearing was for the committee's inquiry into the proposed Parliament House security upgrade works.

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***Report on the condition of the Parliament House building (Recommendation 13)***

3.37 In September 2014, DPS' submission noted, in relation to progress on Recommendation 13, that DPS had received funding in the 2014-15 Budget to conduct a full Building Condition Assessment Report which would 'provide a point-in-time assessment of the condition of the building'.<sup>32</sup> At the public hearing on 17 November 2014, Mr Neil Skill, then First Assistant Secretary, Building and Asset Management, DPS, highlighted the importance of the Building Condition Assessment Report to form the basis for the biennial report to be tabled by the Presiding Officers:

This assessment of the current state of the building provides a robust basis for developing the detailed maintenance and refurbishment plans and will form the basis of funding proposals to seek appropriate funding for the iconic building as a working parliament into the future. The reports and data collected will also enable DPS to establish regular, robust mechanics for reporting on the standard of the building against heritage and other standards.<sup>33</sup>

3.38 At the 2 March 2015 hearing Mr Skill explained further about the Building Condition Assessment Report:

It is fairly voluminous—it has 14 different volumes of data that has been collated across the precinct. We had specific areas of expertise—engineering expertise or consultancy expertise—that came in and provided their input into the development of that condition assessment report. Essentially it has gone into...40 different areas of 'discipline' [and] has assessed the status both from a physical perspective and from an operational perspective of the infrastructure associated with the precinct. So we are talking about the building itself, rather than any of the furniture for example. We [included] fabrics, walls, flushometers and fire systems right through to the structural integrity of different areas of the precinct et cetera. It was very comprehensive, and quite deliberately so.<sup>34</sup>

3.39 The Building Condition Assessment Report has been used to develop a Strategic Asset Management Plan to 'outline the best methods to maintain and enhance the condition of the building for the next twenty-five years'.<sup>35</sup>

3.40 At the 17 November 2014 hearing, Mr Skill indicated the current timeframes around the production of the Building Condition Assessment Report and the Strategic Asset Management Plan:

A draft of the building condition report was received recently and is currently being reviewed for completeness. It is expected the final report will be provided before the end of this calendar year. Concurrently, the

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32 *Submission 1*, p. 7.

33 *Committee Hansard*, 17 November 2014, pp 4-5. See also Mr Neil Skill, First Assistant Secretary, Building and Asset Management Division, DPS, *Committee Hansard*, 16 March 2015, p. 32.

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

35 *Submission 1*, p. 7.

strategic infrastructure management plan is being developed based on those findings and subsequent analysis. The infrastructure management plan will be provided in early 2015 and will form the basis of a proposal to government for funding.<sup>36</sup>

3.41 In May 2015, DPS stated that the response to Recommendation 13 was 'in train' and provided the following update:

The Strategic Asset Management Plan was delivered 31 March 2015.

The Building Condition Assessment [Report] was delivered 2 March 2015.

The format and content of the report to Parliament is being developed with the Presiding Officers.<sup>37</sup>

3.42 The ANAO's report on the management of assets and contracts at Parliament House described the Building Condition Assessment Report and the development of the Strategic Asset Management Plan as:

[A] useful baseline for assessing the condition of Parliament House assets, particularly as many engineering assets are reaching a critical state in the asset management lifecycle. These processes should also provide a way forward in managing Parliament House assets and prioritising acquisition, replacement, refurbishment, and maintenance expenditures.<sup>38</sup>

3.43 However, the ANAO continued:

While the [Building Condition Assessment Report and the Strategic Asset Management Plan] can provide the high-level direction for managing Parliament House assets, they will need to be supported by more robust and integrated management practices than are currently in place, to ensure effective asset management. In this regard, there is scope for significant improvements in the department's asset management policies, procedures, sub-plans (including capital works plan), systems and reporting arrangements.<sup>39</sup>

#### ***Capability reviews (Recommendation 14)***

3.44 In relation to the capability reviews recommended in Recommendation 14 of the committee's 2012 final report, on 17 November 2014, Mr Skill informed the committee:

DPS has reviewed its project management and procurement areas and, thanks to the availability of new funding this financial year, we are

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36 *Committee Hansard*, 17 November 2014, p. 5. The committee understands that the references to the 'strategic infrastructure management plan' are a reference to the Strategic Asset Management Plan.

37 Answer to question on notice, received 1 May 2015, p. 9.

38 ANAO, *Managing Assets and Contracts at Parliament House: Department of Parliamentary Services*, No. 24, 2014-15, p. 55.

39 ANAO, *Managing Assets and Contracts at Parliament House: Department of Parliamentary Services*, No. 24, 2014-15, p. 55.

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advanced in the process of restructuring those business areas to resolve some of the issues identified through the reviews and to best meet current and future needs. The skills and qualifications required by DPS employees in those roles have been reflected in revised duty statements for relevant positions, new recruitment exercises and individual learning and development plans.<sup>40</sup>

3.45 Mr Skill also noted:

It has become clear, through the capability reviews, that the in-house teams have not been provided with the training or with clear direction about how these works were to be delivered. As individual reviews are completed recommendations have been considered and are being implemented expeditiously. This has included the short-term engagement of technical specialists, particularly in the fire safety and engineering fields, and project management specialists to fill the capability and skills gaps identified through the reviews.

Specifically, in the Building and Asset Management Division we have undertaken significant restructuring of project teams in response to the findings of the capability reviews and the draft building condition report, which provided evidence of some systemic poor practice, inadequate internal oversight and, to some degree, a lack of in-house capability to deliver outcomes, which has led to some unnecessary costs to the department over a number of years.<sup>41</sup>

3.46 Mr Skill reiterated the point of the then Secretary, Ms Carol Mills, on the difficulty of recruiting staff to DPS:

[The unnecessary costs to DPS are not only] financial but have damaged the department's ability to attract and retain competent staff and have had a progressively negative impact on the safety, security and quality of the building.<sup>42</sup>

3.47 However, Mr Skill expressed optimism about the changes:

I am confident that the changes we have introduced in these areas will turn these results around. DPS was only able to begin quite slowly on these reforms in 2013 because of its financial position, but thanks to the additional recurrent funding received in the 2014-15 budget these changes have accelerated[.]<sup>43</sup>

3.48 In May 2015, DPS stated that the response to Recommendation 14 was now complete:

The following actions have occurred:

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40 *Committee Hansard*, 17 November 2014, p. 5.

41 *Committee Hansard*, 17 November 2014, p. 5.

42 *Committee Hansard*, 17 November 2014, p. 5.

43 *Committee Hansard*, 17 November 2014, p. 5.

- Design Integrity – a specialist Heritage management team was established in 2013, including qualified Heritage expertise.
- The Project Management Section restructure was completed July 2014 including the recruitment of a Director with Fire Engineer experience.
- Appropriate additional short [term] fire and engineering resources are engaged on an as needed basis.<sup>44</sup>

### ***Audit of fire safety (Recommendation 15)***

3.49 In relation to the audit of fire safety (Recommendation 15), in November 2014, Mr Skill stated:

To date DPS has spent just over \$1 million on fire safety with a further \$5 million scheduled on fire upgrades and enhancement in the coming months. A component of the building condition report is a point-in-time audit of the condition of the building's fire services, and the draft [Building Condition Assessment Report] has identified that substantial works will be required to be consistent with the scheduled fire upgrades and enhancements. So, it has identified that we are on the right track with regard to those. To support this work the strategic infrastructure management plan will outline the most appropriate methods and risk based timing to upgrade, enhance and maintain the building, including fire services, over the coming years.<sup>45</sup>

3.50 Mr Skill noted that new building documentation systems were being considered as part of the CMP and the strategic asset management plan reports.<sup>46</sup>

3.51 In May 2015, DPS indicated the response to Recommendation 15 would be complete by June 2015:

Priority work completed in September 2014. Further work will be completed between November 2014 and June 2015.

The approach to upgrading the system has been revised to draw upon the Building Information Modelling (BIM) capabilities, now and scope being developed as a component of the [Conservation Management Plan] work.<sup>47</sup>

### ***Status A and B furniture audit (Recommendation 17)***

3.52 At the public hearing on 17 November 2014, Mr Skill informed the committee:

DPS proactively commenced a full audit of status A and B furniture in Parliament House, including assets owned by the chamber departments. The audit was completed on 14 August 2014. Work was delayed following the 2013 federal election and the commencement of the 44th Parliament as DPS staff were unable to gain ready access to items under the management

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44 Answer to question on notice, received 1 May 2015, p. 9.

45 *Committee Hansard*, 17 November 2014, p. 5.

46 *Committee Hansard*, 17 November 2014, p. 5.

47 Answer to question on notice, received 1 May 2015, p. 10.

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of the chamber departments at that time. We believe that all status A and B furniture should be assets owned and retained by DPS in line with other assets of Parliament House.<sup>48</sup>

3.53 At the 2 March 2015 hearing there was some discussion on the cataloguing and tracking of all assets within Parliament House, not just Status A and B furniture.<sup>49</sup> The discussion related to the findings in the ANAO report regarding asset disposal, and particularly the consideration of heritage value at disposal:

In 2013-14, DPS disposed of 629 assets...

To assess DPS' consideration of heritage value at disposal, the ANAO selected 24 items (out of a total of 629 assets) recorded as being disposed of in 2013-14. The majority of these assets were in categories that do not require a heritage assessment prior to disposal. As such, the ANAO's sample was selected based on judgement of the type of items that may have required a heritage evaluation at the time of disposal.

Of the 24 items sampled by the ANAO, only two had been disposed of through the department's formal disposal processes. The other 22 items were identified through DPS' annual stocktake process and removed from the asset register (and therefore may not have had a required assessment of cultural heritage value). Of these 22 items: eight were written off because DPS had not found the items since the previous stocktake; 13 items were identified by operational staff as having been disposed of or replaced as part of recent refurbishments; and one was identified as having been disposed of or replaced as part of general operations.<sup>50</sup>

3.54 When questioned about this, Mr Skill argued that the 22 items which the ANAO identified as not going through the formal disposal process may not have been disposed of:

Out of the 24 items [the ANAO] sampled, two had been disposed of through the formal disposal process. That means that they physically left the building. The other 22 were identified through the annual stocktake process. There was an assessment of where the items were. From that, there

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48 *Committee Hansard*, 17 November 2014, p. 6. The committee outlined the categorisation of Parliament House furniture in its 2012 final report. Status A furniture is found in all areas of Public and/or VIP status which require a unique and comprehensive design service for loose furniture and furnishings; Status B furniture areas include all other Ministerial offices, Members' and Senators' offices and areas which require special design and/or selection services for a limited range of standard items of loose furniture and furnishings that will be duplicated within all areas of similar status throughout the building; Status C furniture includes all items apart from those listed under Status A and Status B and in those areas there are ready-manufactured items that provide a range of standard elements for loose furniture and furnishings within each area of similar status. For more information see Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services: Final report*, November 2012, p. 108.

49 *Committee Hansard*, 2 March 2015, pp 18-19.

50 ANAO, *Managing Assets and Contracts at Parliament House: Department of Parliamentary Services*, No. 24, 2014-15, pp 70-71.

were eight that were written off because they could not find them in the 2012-13 stocktake and, subsequently, they could not find them again in the 2013-14 stocktake.<sup>51</sup>

3.55 Mr Skill explained why he believed the items were still in the building:

Some of these are [heritage items], because the date of acquisition is 1988-89. That is why I am confident that they are still in the building. The issue is that the stocktake may not have had access to the areas where those items are now held. That raises the question of how we get a clearly valid stocktake when we cannot get into large areas of the building. That is a bigger question. If we talk about what these eight items [which were written off] are and where they went, we do not know where they are because we cannot access everywhere in the precinct. But, I will give evidence today that they have not left the precinct. They are somewhere in the building.<sup>52</sup>

3.56 Mr Skill noted that technology such as radio-frequency identification (RFID) was available to track assets, but that would not be a viable option for tracking all furniture within Parliament House as DPS did not have access to all areas of the building where furniture was stored:

You can use technology like RFID tagging, which has been in place for a long time now, and it is not overly expensive, but there is no value in doing that unless we can guarantee that we have [access to] the entire precinct. We could do the DPS parts, but we cannot do the Senate parts, and we cannot do the House of Representatives parts. Without access to the entire precinct, we cannot sit in these fora and say, 'Yes, we've captured everything and this is what we think we are missing,' and 'This is what we don't think we are missing.'<sup>53</sup>

3.57 Mr Skill noted that access had been granted across the building for the purposes of the Status A and B furniture audit.<sup>54</sup>

3.58 The information provided by DPS in the May 2015 update reiterated Recommendation 17 was complete. In addition:

DPS will continue to explore options for a comprehensive tracking system of status A and B furniture.<sup>55</sup>

***Committee view***

3.59 The committee accepts that DPS has made a considered effort to address the recommendations in relation to building and asset management in the committee's 2012 final report. Further, the committee acknowledges that, until the 2014-15 Budget, DPS' progress in responding to these recommendations was constrained by its

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51 *Committee Hansard*, 2 March 2015, p. 18.

52 *Committee Hansard*, 2 March 2015, p. 18.

53 *Committee Hansard*, 2 March 2015, p. 18.

54 *Committee Hansard*, 2 March 2015, p. 18.

55 Answer to question on notice, received 1 May 2015, p. 12.



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financial position. The committee also note the difficulties that DPS is having in recruiting staff.

3.60 However, the committee is concerned that DPS has not been able to complete its response to these recommendations. Further, the committee is concerned, given the ANAO's assessment, that there is a danger that the progress that has been made, such as the Building Condition Assessment Report and the Strategic Asset Management Plan, may be of little use due to a lack of robust and integrated management practices and the need for significant improvement to DPS' asset management policies and procedures.

3.61 While the committee accepts the evidence from DPS that it is working to address these issues,<sup>56</sup> this is obviously an area that needs to be monitored closely. The committee is putting DPS on notice that it will be following up with regards to the status of all governance policies and procedures through the estimates process.

3.62 It appears that there is some reluctance on DPS' part to undertake a comprehensive system of asset tracking and management on the basis that DPS does not have access to all areas of Parliament House. Essentially, DPS has argued that although the technology exists for this purpose, and such technology would not be overly expensive, a DPS stocktake is not a sufficient reason to impose on the chamber departments on a regular basis.<sup>57</sup> The committee does not agree. While the committee accepts that an initial cataloguing and stocktake of all assets in Parliament House may be an onerous task, DPS has the responsibility and expertise to conduct such a task. In the committee's view, it would then simply be a matter of performing a periodic stocktake, for example every three years, for all areas of Parliament House.

#### **Recommendation 4**

**3.63 The committee recommends that DPS perform a stocktake of all assets in all areas of Parliament House once every three years.**

3.64 The committee looks forward to the Presiding Officers tabling the inaugural report into the condition of Parliament House and its contents in the near future.

#### **Contract management**

3.65 The committee's first interim report referred to the findings of the ANAO with regards to contract management by DPS. The ANAO concluded there had been little improvement in DPS' contract management framework, processes or capabilities since the committee's 2012 final report.<sup>58</sup> Given the comprehensive analysis undertaken by the ANAO in its report and the recommendations that it has made in relation to improving contract management at DPS, the committee does not intend to duplicate

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56 See Mr Neil Skill, First Assistant Secretary, Building and Asset Management Division, DPS, *Committee Hansard*, 2 March 2015, pp 17-18.

57 See Mr Neil Skill, First Assistant Secretary, Building and Asset Management Division, DPS, *Committee Hansard*, 2 March 2015, p. 18.

58 ANAO, *Managing Assets and Contracts at Parliament House: Department of Parliamentary Services*, No. 24, 2014-15, p. 16.

the work of the ANAO. The committee's focus is concluding its examination of the process to select Ms Anne Zahlaka for the contract for the photographic commission for the 25<sup>th</sup> Anniversary of Parliament House.

### ***Photography commission for the 25<sup>th</sup> Anniversary of Parliament House***

3.66 The committee's first interim report set out in detail the background to the photography commission for the 25<sup>th</sup> Anniversary of Parliament House.<sup>59</sup> Briefly, in August 2013, DPS commissioned Ms Zahlaka to take a series of 10 photographs to commemorate the 25<sup>th</sup> Anniversary of Parliament House. Ms Zahlaka was paid \$30,000 for the commission. The Parliamentary Library subsequently purchased a further two photographs, for a total of \$10,000, from Ms Zahlaka. At the Supplementary Estimates hearing in October 2014 it was drawn to the committee's attention that Ms Zahlaka was, in fact, a neighbour of Ms Mills, who was at the time the Secretary of DPS. The committee questioned Ms Mills and other DPS officers about the process which was used to select Ms Zahlaka for the commission, given that she was personally known to the Secretary. The committee was informed that there was a substantive gap in the documentation regarding the commissioning process and there were no records of the reasons for the decisions for commissioning Ms Zahlaka.

3.67 As the committee noted in its conclusions on this matter in its first interim report, questions remained as to the events which lead to Ms Anne Zahlaka being selected to undertake the photography commission. At a public hearing on 14 May 2015, Ms Myra Croke, Chief Operating Officer, DPS and Ms Fiona Bowring-Greer, Director, Operations Division, DPS, gave further evidence regarding this matter.

### ***Additional payments provided for in the contract***

3.68 The committee sought clarification on provisions in the contract between DPS and Ms Zahlaka which appear to enable Ms Zahlaka to sell editioned copies of the work which were not exclusive to DPS. On notice, DPS provided the following explanation of the contract term:

The contract term that stipulates the number of photographs that can be editioned by the artist only pertains to the ten photographs (the Goods) to which the Commonwealth is entitled.

Of those ten images, three are exclusive to the Commonwealth. The terms of the contract allow for an edition of no more than five copies of each of the remaining seven images that comprise the Goods.

The contract makes no provision for editioning or exclusivity of any other images taken in the course of the commission.

The two images purchased by the Parliamentary Library do not come within the scope of the Goods under the contract, and do not impact on the contract terms that allow for editioning as described above.<sup>60</sup>

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59 See Senate Finance and Public Administration Legislation Committee, Inquiry into the Department of Parliamentary Services: First Interim Report April 2015, pp 10-13.

60 Answer to question on notice, received 5 June 2015, p. 6.

3.69 The contract with Ms Zahalka also provided for royalty fees to be paid in relation to the commercialisation of certain items:

There was an agreement that there would not be any additional payment to the supplier for reproducing goods on commercial paper products—such as posters, cards and calendars—and for online or digital purposes. But the reproduction of goods on other commercial products, such as T-shirts, mugs and iPad covers would be done in consultation with her[.]<sup>61</sup>

3.70 On notice, DPS advised that no royalty fee has been paid to Ms Zahalka:

No royalty fee has been paid to Ms Zahalka for use of the images on merchandise or for any other purpose.

The only costs paid by DPS [were]: \$30,000 for the commission, an additional \$10,000 for the photographs purchased by the Parliamentary Library, and a one-off payment of \$1425.24 to reimburse the artist for costs incurred during a second visit to Canberra.<sup>62</sup>

#### *Documentation of the commissioning process*

3.71 At the public hearing on 14 May 2015, the committee also canvassed the discrepancies in documentation in relation to the commissioning of Ms Zahalka which DPS provided to the ANAO as part of its audit and those documents it provided to the committee in January 2015 in an answer to a question on notice. Ms Croke provided the following explanation:

It came to my attention sometime after the last hearing [on 16 March 2015] that, in giving evidence last time, I had indicated that I thought the response to our question No. 27 [received by the committee on 30 January 2015] was largely consistent with what the ANAO had in their time line, even though we had had a discussion about the fact that that ANAO time line was constructed by the ANAO for their report, based on a whole lot of documents they had. It was only when it came to my attention—and I looked at it very closely afterwards—and I had time to thoroughly check it through, that I realised that in fact there were some draft documents listed in the ANAO time line that we had not provided to the committee. So I got people to go back through our TRIM [records management] system and spend some time actually checking what happened to each of those documents. Ms Bowring-Greer [Director, Operations Division, DPS] was also aware of one of those documents, and had brought to my attention that one of them had not made it through to the [DPS] Secretary at all. So we attempted to go through and really get to the nub of all of those documents and clarify that for the committee[.]<sup>63</sup>

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61 Ms Fiona Bowring-Greer, Director, Operations Division, DPS, *Committee Hansard*, 14 May 2015, p. 3.

62 Answer to question on notice, received 5 June 2015, p. 7.

63 *Committee Hansard*, 14 May 2015, p. 1.

3.72 Ms Croke stated that the documents provided to the committee in the answer to the question on notice were all final versions of documents that had been given to the Secretary:

The additional documents we have identified this time are drafts. There were two drafts and I think there was one letter. Two of them were in fact draft documents that never, ever got—probably—beyond the person who drafted them, or beyond their supervisor.<sup>64</sup>

3.73 Ms Croke outlined the reason that this particular issue had arisen:

The difficulty we have with our system of filing on TRIM is that it stores every draft document from the very first rough draft that somebody at quite junior level might create on the system, right through to the final version that gets through and might go all the way up to the secretary, or even to the Presiding Officers. Unless people carefully label those documents on the way through, it is not always clear how far the document got—as to whether it was in fact a very rough draft or it was in fact the final.<sup>65</sup>

3.74 With regards to the missing documentation for the three month period from March to June 2013, DPS confirmed that it was not possible for documents to have been accidentally deleted from the records management system:

Documents created or saved in TRIM remain in the system as DPS records unless they are disposed of consistent with the policies and guidance of the National Archives of Australia (NAA). The [department's Governance Paper on the Disposal of Records by Normal Administrative Practice (NAP)] states that records on TRIM can only be deleted by Records Management Unit staff and the Database Administrator, ICT.

Records cannot be deleted accidentally. The process requires staff to email a record removal request to TRIM administration. An assessment is then made to ensure the request complies with disposal requirements. If valid, the record is moved to a NAP folder, it is not deleted immediately. Records are kept in the NAP folder for a period of time, as a precaution in case a record has been wrongly identified for disposal. Following authorised disposal of a record, metadata relating to the record is retained (e.g. details such as the document, the date of creation, the author and the date of disposal).

DPS has a NAA authorised records disposal authority for all our records. All records in TRIM have a business classification that is linked to the records disposal authority. The classification determines how long a record is kept (the retention period). When records reaches the end of their retention period a report is submitted to a branch head or above, requesting approval to destroy the records. When a record is destroyed, the metadata is retained in TRIM as a record of the action.<sup>66</sup>

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64 *Committee Hansard*, 14 May 2015, p. 1.

65 *Committee Hansard*, 14 May 2015, pp 1-2.

66 Answer to question on notice, received 5 June 2015, p. 1.

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*Next steps*

3.75 Ms Bowring-Greer acknowledged that the process for commissioning of the photographs by Ms Zahalka could be improved on.<sup>67</sup> However, Ms Croke noted that it would be impossible to give an assurance that such a situation would never arise again:

The assurance I can give you is that we have procedures, systems and controls in place to try and minimise the chances of it occurring. I do not think I can give an assurance that it will never ever happen in DPS. I do not think any department could give you that assurance. But we can say we are doing a lot of work to put appropriate controls in place to minimise the chances of this occurring and to ensure staff are trained and knowledgeable about what they are doing.<sup>68</sup>

3.76 Ms Croke outlined some of the work that DPS are doing to address the shortcomings which had been identified in this commissioning process:

We have made quite a lot of changes in the procurement space of late. We have got a complete new set of financial delegations, which were issued from 1 January and were reissued just recently with some very minor changes. Sitting underneath those we have agency advice instructions which we are required to have under the [*Public Governance, Performance and Accountability (PGPA) Act 2013*]. That is standard for any agency in the Commonwealth and we have those in place.

We have also recently reissued a very comprehensive set of procurement manuals based on the ANAO better practice guide. We have conducted training for staff on procurement and contract management. It is a two-day training course run by the Public Service Commission. We had training sessions in February and again in April. We have had a fairly large number of staff trained in that space.

We have also started setting up a regular discussion with all of our contract managers and people who are doing procurement regularly. We are calling it a practitioners forum. We are meeting roughly quarterly. We held the first meeting just a few weeks ago. The idea of that is to keep building on all the training that we have so that we continue the learning. We have a discussion with all the contract managers across the department about what we are finding is occurring in terms of practice, the sorts of learnings that we gain through both our procurement team and our legal team and the work they are doing with all the areas across the department. We are trying to increase the knowledge and the learning base on an ongoing and continuing basis.<sup>69</sup>

3.77 Ms Croke noted that DPS has also invited the ANAO back to do a follow-up audit, which would probably occur in the 2016 calendar year. Ms Croke also indicated

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67 Ms Fiona Bowring-Greer, *Committee Hansard*, 14 May 2015, p. 8.

68 *Committee Hansard*, 14 May 2015, p. 4.

69 *Committee Hansard*, 14 May 2015, p. 4.

that DPS are considering an internal audit towards the end of this year 'to look at contracts that have been put in place this year to make sure we are actually improving'.<sup>70</sup>

3.78 Ms Croke also referred to recruitment within the procurement team and changes to record keeping systems as other areas that DPS had addressed:

[W]e have also built up the procurement team within the CFO branch, so we have a good team of people there who are very familiar with procurement. The procurement team and the legal team are working very closely together on issues as they occur, and that is what we are feeding back in to the contract practitioners group to try and train staff around the sorts of issues that are coming up across the department and to keep staff informed. You cannot just conduct training for contract management and wheel people through their two-day training in February and think they are fine and that they do not need any more. They actually need some reinforcement of what they are doing and some further guidance as things change. As an organisation, as we learn about how we can do things more effectively we will cover that.

In terms of record keeping, if you are conducting a procurement, the procurement manual clearly sets out the nature of the records we should be keeping. We have already rolled out some changes to the SAP system. We now have finance running on SAP, and all of the procurement and payment arrangements will be fully up by the end of June. We are consciously trying to reinforce that records are kept either in SAP, which is our payment and [human resources] system, or within the TRIM system, so we should have a thorough record-keeping system as we go forward. I think that is the one area that we still need to do some work on.<sup>71</sup>

### *Committee view*

3.79 The committee can find no redeeming aspect in relation to the process to select an artist for the photographic commission for the 25<sup>th</sup> Anniversary of Parliament House.

3.80 The evidence the committee received since its first interim report merely highlights the continuing problems that DPS has with contract management practices. While the committee understands that DPS are working to address these issues, the committee finds it inexplicable that there has been so little improvement in DPS' contract management since the committee's 2012 final report.

3.81 The committee notes that DPS has invited the ANAO back to undertake a follow up audit and this is likely to occur in the 2016 calendar year. In the committee's view a follow-up audit is essential to determine whether DPS' actions to address its contract management issues have resulted in any improvement in this area.

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70 *Committee Hansard*, 14 May 2015, p. 5.

71 *Committee Hansard*, 14 May 2015, p. 5.

3.82 The committee also notes that DPS has discussed the possibility of carrying out an internal audit of the contracts put in place in 2015 to ensure that contract management within DPS is improving. The committee strongly supports an internal audit and recommends that DPS provide a copy of the audit report to the committee.

**Recommendation 5**

**3.83 The committee recommends that the Australian National Audit Office undertake a follow-up audit of DPS' contract management in 2016.**

**Recommendation 6**

**3.84 The committee recommends that DPS conduct an internal audit of contracts put in place in 2015 and provide a copy of the audit report to the committee by 1 February 2016.**





# Chapter 4

## Workplace culture and employment issues

### Introduction

4.1 In its final report for the previous inquiry, the committee set out concerns regarding employment issues in the Department of Parliamentary Services (DPS).<sup>1</sup> The committee's terms of reference specifically refer to progress since the committee's last inquiry in relation to 'workplace culture and employment issues'.

4.2 In this chapter the committee outlines DPS' response to particular recommendations in relation to workplace culture. The discussion then focusses on issues raised with the committee concerning two areas of DPS: Hansard and Visitor Services.

### Progress in implementing recommendations

4.3 The committee's final report for the previous inquiry made a number of recommendations to address the unacceptable culture of bullying and harassment which had developed in DPS. Specifically, those recommendations were:

- DPS implement appropriate training programs for managers in relation to bullying and harassment and ensures that adequate processes are in place so that all employees are confident in reporting bullying and harassment (Recommendation 2);
- DPS develop a bullying register to record information about bullying such as details of the incident, where it happened and what action has been taken so that any trends can be quickly and easily identified (Recommendation 3);
- if areas with systemic bullying issues are identified, that DPS undertake a pre-emptive investigation of the area rather than wait until formal complaints are received (Recommendation 4); and
- DPS approach Comcare to undertake a further audit, including a survey of all staff, before the end of 2013 to measure improvements, if any, in the management of bullying and inappropriate workplace behaviour in DPS (Recommendation 5).

4.4 DPS supported all these recommendations.<sup>2</sup> In its response to the committee's report, DPS stated:

The committee's findings on bullying and harassment within DPS, the lack of confidence in senior management and lack of leadership in this area is beyond dispute. Regrettably, historically there has not been sufficient active

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1 See Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services – Final Report*, November 2012, pp 7-42 (Chapter 2).

2 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: *The performance of the Department of Parliamentary Services*, February 2013, pp 3-4.

focus on bullying and harassment and several individual cases were not appropriately dealt with. It is acknowledged that further and on-going action is required by the Department.<sup>3</sup>

4.5 In the next section of the report, the committee considers DPS' responses to these recommendations.

***Appropriate training and adequate processes (Recommendation 2)***

4.6 In its response to the committee's final report, DPS stated:

In 2012 DPS focused on a corporate compliance training program to educate managers and staff on appropriate workplace behaviour through the following courses:

- Bullying and Harassment;
- Parliamentary Service Values & Code of Conduct;
- Fraud and Ethics; and
- Work Health and Safety Awareness.<sup>4</sup>

4.7 DPS' response noted that DPS staff were now required to attend these courses every two years. The response referred to additional training for managers:

In November 2012, DPS also conducted a pilot course on the management of workplace behaviours which was compulsory for all Parliamentary Executive Level 2 Directors. This course covered what is, and what is not, appropriate workplace behaviour and, strategies to remedy inappropriate behaviour; leadership techniques, roles and responsibilities; and the DPS complaint management process.<sup>5</sup>

4.8 DPS indicated that measures were to be implemented:

By July 2013, DPS will also create a suite of information and support tools for staff and managers that articulate the roles and responsibilities of all staff. This will include:

- the establishment of a structured complaint management framework with appropriate support tools and information guides for staff;
- regular monitoring and reporting to enable the Executive to identify 'hot-spots' of staff dissatisfaction or stress;
- ongoing review of strategies to manage workplace behaviour; and

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3 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 3.

4 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 4.

5 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 4.

- the establishment of workplace behaviour agenda items in key communications forums[.]<sup>6</sup>

4.9 In its submission, DPS noted that incidences of bullying and harassment have reduced as a result of the training and awareness raising that had been undertaken:

In 2012-13, the Department received sixteen complaints about bullying and harassment, all of which have [been] resolved. Of the sixteen complaints, the largest number was in the Security Branch (five complaints). The majority of complaints (ten complaints) were resolved through management resolution. Two complaints resulted in code of conduct investigations. In one case the allegations were shown to be unproven and in the other, a sanction of one pay point was determined.

In 2013-14 there were four complaints about bullying and harassment. Of these, one resulted in the resignation of a staff member, two were subject to management resolution and one is in progress. One of the complaints led to a code of conduct review, which found the allegations to be unproven.<sup>7</sup>

4.10 DPS also commented that the introduction of the *Public Interest Disclosure Act 2013* and the insertion of anti-bullying amendments to the *Fair Work Act 2009* had provided the opportunity to provide additional training to all staff about the requirements and provisions under those Acts and to review and update internal procedures.<sup>8</sup>

4.11 In an update provided in May 2015, DPS noted it had completed its response to Recommendation 2 and provided the following information on the current training it offered:

Work Health and Safety Awareness training includes a component on respect, courtesy and the prevention of workplace bullying and harassment...

Being Professional in the Parliamentary Service training also includes components on appropriate workplace behaviour and the prevention of workplace bullying and harassment...

Promoting Appropriate Behaviours @ DPS, and the Prevention of Workplace Bullying and Harassment publications are available on the DPS Staff Portal...<sup>9</sup>

### ***Development of a bullying register (Recommendation 3)***

4.12 DPS' response to the committee's final report noted that in July 2011 DPS had established a Human Resource (HR) Register (Register) in which HR staff record workplace issues:

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6 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 4.

7 *Submission 1*, p. 2.

8 *Submission 1*, p. 2.

9 Answer to question on notice, received 1 May 2015, p. 3.

Matters recorded include complaints of bullying and harassment, workplace disputes, Code of Conduct investigations and requests for review of management action.

DPS currently uses the Register as both a reporting mechanism and as a preliminary stage of its case management process to help ensure that all workplace matters are recorded and actioned through to an appropriate conclusion of the complainant and respondent.<sup>10</sup>

4.13 The DPS response indicated that, from March 2013, the DPS Executive will review regular reports on bullying and harassment complaints, disputes and pending workplace investigations:

The intent of this process is that workplace behavioural issues are swiftly and professionally addressed. This action will establish more streamlined and effective processes that will avoid the mistakes of the past and enable issues to be better managed through proper oversight and regular reporting.<sup>11</sup>

4.14 In its submission, DPS stated:

DPS continues to use its [Register] to record workplace issues, including complaints of bullying and harassment and code of conduct investigations...

The [Register] is used for assessing trends and reporting to the DPS Executive in relation to workplace issues.<sup>12</sup>

4.15 The update provided to the committee in May 2015, noted that DPS' HR Services have established a 'register of reported complaints and resolutions which have been escalated to them for investigation' and '[all] such complaints are investigated on receipt'.<sup>13</sup>

#### ***Pre-emptive investigations (Recommendation 4)***

4.16 Recommendation 4 of the committee's final report recommended DPS undertake pre-emptive investigations of areas where systematic bullying issues are identified, rather than waiting for formal complaints to be received. In its response to the committee's recommendation, DPS stated:

[All] DPS section managers have conducted formal Bullying Risk assessments to identify whether trends or hotspots exist. The responses have been analysed and advice provided back to each branch head regarding contributory factors, such as the level and intensity of workload; staff shortages; and organisational change. In September 2012 Branch

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10 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 5.

11 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 5.

12 *Submission 1*, p. 3.

13 Answer to question on notice, received 1 May 2015, p. 4.

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heads were provided advice on the various options which exist within DPS to mitigate the risk of inappropriate behaviour.<sup>14</sup>

4.17 DPS' submission provided some more information on complaints of bullying and harassment in the Security Branch, which had the highest number of complaints in the previous two financial years:

Of the twenty incidents of bullying and harassment reported in the last two financial years, complaints came from several business areas. The highest number was in Security Branch (six complaints). Of these six complaints:

- one case related to alleged bullying by colleagues and a preliminary investigation is in progress;
- one case related to alleged abuse by a Senator's staffer, and the matter was managed directly with the Senator;
- one case related to alleged abuse by a delivery driver, and was referred to the service provider for action, and an apology was received; and
- three cases related to officers being requested to perform duties within the requirements of [their] roles. In each of these cases, the matter was resolved through intervention by management.<sup>15</sup>

4.18 DPS' response to the committee's final report also noted the role of Harassment Contact Officers (HCOs):

The role of the HCO is to assist staff by being the first point of contact for issues of bullying and harassment, discrimination and other forms of unacceptable behaviour.

The HCO network is a significant mechanism which provides individual staff opportunities for direct and discreet contact, whilst ensuring that issues of inappropriate workplace behaviour are promptly addressed and privacy assured. HCOs are tasked with distributing information about their services throughout DPS...<sup>16</sup>

4.19 The number of HCOs appears to have fluctuated over time. In October 2012 there were nine HCOs and this number increased to 27 in December 2012, following DPS' decision to 'revamp and re-energise' the HCO network.<sup>17</sup> In September 2014, DPS stated that there were 18 HCOs available, with an additional HCO being on long term leave.<sup>18</sup> The update provided in May 2015 does not provide any information on the current number of HCOs.

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14 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 5.

15 *Submission 1*, p. 3.

16 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 5.

17 DPS, Response to the Senate Finance and Public Administration Legislation Committee report: The performance of the Department of Parliamentary Services, February 2013, p. 5.

18 *Submission 1*, p. 3.

### ***Comcare audit (Recommendation 5)***

4.20 In February 2013, DPS reported that it had approached Comcare to undertake a further audit to measure improvements in the management of bullying and inappropriate workplace behaviour. DPS anticipated that Comcare would conduct an audit and survey in late 2013.

4.21 In its submission DPS reported that Comcare had revisited the Department in October 2013 to review progress against the recommendations from the 2011 Bullying Prevention Audit:

Comcare inspectors indicated they were pleased with DPS' progress and that 'DPS is tracking well'. Importantly, Comcare made no further recommendations, nor did they exercise any formal powers under the *Work Health and Safety Act 2011*.<sup>19</sup>

4.22 In an update in May 2015, DPS reiterated the outcomes from Comcare's visit in October 2013 and added:

DPS participated in the 2014 [Australian Public Service Commission (APSC)] Census which includes questions on bullying and harassment. DPS will participate in the 2015 Census.<sup>20</sup>

### ***Committee view***

4.23 The committee acknowledges that there has been a reduction in bullying and harassment complaints between 2012-13 and 2013-14. However, changing a culture of bullying and harassment is an ongoing process to ensure that cultural change becomes embedded within the organisation.

4.24 For this reason, the committee would like to see the data on bullying and harassment for the 2014-15 year, in order to have a clearer picture of whether there is a continuing trend of reducing bullying and harassment complaints.

4.25 In this respect, the update that DPS provided in May 2015 setting out DPS' response to these workplace culture recommendations was not very useful. The committee is therefore recommending that DPS provide this data along with a range of information for the 2014-15 financial year, prior to the Supplementary Budget Estimates hearings in October 2015.

### **Recommendation 7**

**4.26 The committee recommends that DPS provide the following information on bullying and harassment complaints to the committee by 1 October 2015:**

- **the number of complaints recorded on the HR register for the 2014-15 financial year;**
- **the number of complaints recorded on the HR register for the 2014-15 financial year which have been resolved and the nature of that resolution;**

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19 *Submission 1*, p. 4.

20 Answer to question on notice, received 1 May 2015, p. 5.

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- **the number of complaints recorded on the HR register for the 2014-15 financial year which have been escalated for investigation and the outcome of that investigation;**
  - **the current number of Harassment Contact Officers in DPS (as at 30 September 2015).**

4.27 The committee is not satisfied with the response that DPS has made in relation to Recommendation 4 with regards to pre-emptive investigations. DPS has noted that the Security Branch had the highest level of complaints, but it is not clear whether DPS has instigated a pre-emptive investigation, or whether DPS does not consider the level of bullying and harassment in the Security Branch not to be systemic and for what reasons.

### **Recommendation 8**

**4.28 In providing the information on bullying and harassment in Recommendation 7, DPS should identify the three areas of DPS where the most complaints of bullying and harassment have been received and whether a pre-emptive investigation has been conducted in relation to any of those areas.**

4.29 In order to continue to monitor DPS' progress in this area, the committee also recommends that, prior to each estimates hearing, DPS provide the committee with updated information on the number of bullying and harassment complaints on the HR register.

### **Recommendation 9**

**4.30 The committee recommends that, prior to each estimates hearing, DPS provide the committee with the following information on the number of bullying and harassment complaints:**

- **the number of new complaints recorded on the HR register since the previous estimates update was provided;**
- **the status of each of the new complaints recorded on the HR register since the previous estimates update was provided;**
- **the number of complaints withdrawn from the HR register and the reasons that the complaints were withdrawn; and**
- **the number of Harassment Contact Officers in DPS.**

### **Hansard**

4.31 At the public hearing on 17 November 2014, Ms Karen Greening, then Assistant Secretary, Parliamentary Recording and Reporting Branch, stated that morale in Hansard was 'not high'.<sup>21</sup> When pressed for an explanation as to why this might be the case, Ms Greening stated:

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21 *Committee Hansard*, 17 November 2014, p. 11.

It is a difficult environment to work in, because the workload is fairly constant. The editors take a great deal of pride in their work, and unfortunately there is a level of unhappiness.<sup>22</sup>

4.32 Noting that Hansard staff have always taken pride in their work and been required to work under time pressures, the committee was interested in what had changed in the Hansard area to result in low morale. Ms Greening stated that while 'nothing has really changed' to cause the unhappiness, there was some concern that with the heavy workload for committees, the finalisation of the chamber transcripts had fallen behind:

And it did for a period of time, for a month or so, but we actually rejigged the workplace in order to bring the chamber work up to date. When I say the chamber work—the Hansard proof is published in the early hours of the morning after the chambers rise. We continue to receive corrections from senators and members to their speeches and we have 15 non-sitting days in which to finalise the proof transcript to the official. We put that to one side for a period of time while we focused on committee transcripts, but then we went back and caught up with that workload. But there was some general unhappiness among our staff because they felt that we were neglecting that function.<sup>23</sup>

4.33 Ms Greening referred to the establishment of the 'Hansard forum' as one of the mechanisms for addressing staff morale:

[I]n April [2014] we implemented the Hansard forum, where we asked for two volunteers from each team in Hansard—there are four editor teams and our Hansard Support Unit. We set up a process for engagement with the staff where we tried to encourage these representatives to work with us on how we can deliver our services better. We got some good ideas from the staff, which we have been exploring over the last six or so months.<sup>24</sup>

### ***Staff turnover***

4.34 Ms Greening indicated that there had been a high level of staff turnover and that there was anticipated to be a high level of turnover for a large period of time as about half of the Hansard editors are in the 55-plus age bracket.<sup>25</sup> Ms Greening stated that 'primarily' the staff that have been leaving are trained staff and not trainees.<sup>26</sup>

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22 *Committee Hansard*, 17 November 2014, p. 11.

23 *Committee Hansard*, 17 November 2014, p. 12. DPS subsequently clarified that the period of time involved was 'approximately three months', not 'a month or so', Additional Information, Correspondence from Ms Eija Seittenranta, Chief Operating Officer, DPS to Committee Secretary, Senate Finance and Public Administration Legislation Committee, dated 5 December 2015, p. 2.

24 *Committee Hansard*, 17 November 2014, p. 12.

25 *Committee Hansard*, 17 November 2014, p. 10.

26 *Committee Hansard*, 17 November 2014, p. 10.



4.35 Aside from retirement, Ms Greening identified a lack of full-time employment opportunities and career advancement as other reasons for staff leaving:

Some of the feedback has been from people who were looking for career development and, in the Hansard environment, our editors come in at the [Parliamentary Service Level (PSL)] 5 level. Once they have completed the training program, they are broadbanded to the PSL 6 level. We have got 58 staff at the [PSL] 5-6 level. Then we go to four assistant directors—that is the [Parliamentary Executive Level (PEL)] 1 level, which is the next level up. So there is not a lot of career development, especially for our younger employees; no career opportunities. So, they come in at the [PSL] 5 level, transition to the [PSL] 6 level once they have completed their training and then their career can basically stall for a period of time...

There has been dissatisfaction with—for instance, we employ staff primarily at the moment as sessional editors, so editors who work for 25 weeks a year and primarily when parliament is sitting. The younger people who have left want full-time employment and a career opportunity. And so that has been the prime reason for staff leaving. We have had people who have left saying that they are unhappy with the workload. They want other opportunities.<sup>27</sup>

4.36 The committee asked Ms Greening if any of the staff leaving had expressed dissatisfaction with the operation of Hansard or how they were treated by management. Ms Greening stated:

I have not looked at any exit surveys for a while in that I have not had any presented to me for a while.<sup>28</sup>

### ***Training for Hansard editors***

4.37 The committee was told that, because of the high staff turnover Hansard had a large number of trainees. As at November 2014 there were 20 trainees out of a total of 58 editors. Previously the number of trainees per year was around eight.<sup>29</sup>

4.38 Given the high number of trainees, the committee pursued the nature of the training that was being provided:

We have a mixed-mode training program: some of it is online, some of it is face-to-face training and some of it is peer-to-peer training. We try to support the new trainees, as soon as they arrive. We have asked our experienced editors to take on a mentor role and, at the moment, because we do have so many trainees, we have taken two very experienced Hansard editors offline and they are working with those individuals. They are developing training plans, they are assessing them, looking at what they

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27 *Committee Hansard*, 17 November 2014, p. 10.

28 *Committee Hansard*, 17 November 2014, p. 10.

29 *Committee Hansard*, 17 November 2014, p. 10.

need to move them along the training program and working closely with them.<sup>30</sup>

4.39 DPS subsequently clarified that '[s]ome face-to-face small group training sessions are held with the trainee editors and some one-on-one training is done on the job with the mentors and with other experienced editors'.<sup>31</sup>

4.40 In relation to the two editors who are providing the training, DPS informed the committee:

Two Hansard editors had been taken offline until the end of 2014 to coordinate training and support the current large cohort of trainees in progressing through the training programs. This is in addition to the mentors that are allocated to assist each of the trainees.<sup>32</sup>

4.41 Until 2012, two people at PEL 1 level had developed the training program and managed the trainees, but only one of them delivered the actual training.<sup>33</sup> At the hearing Ms Greening explained the change in the training program to the mix-mode training:

We made the decision to move away from that model, primarily because at the time they were two full-time officers and we had about eight trainees who were sessional employees, so they were only in the workplace for 25 weeks a year. So we moved to the mixed-mode training program where the trainees would work their own way through the training program, but with support from others.<sup>34</sup>

4.42 The committee questioned Ms Greening as to whether, given there were now two full-time staff training 20 trainees, when previously there would only have been eight trainees, this placed pressure on the trainees in terms of less dedicated attention:

The trainees are split across four teams, and the assistant directors [PEL 1s] have prime responsibility for working with the trainees and the training program. The mentors are allocated time during the sitting weeks to assist their trainees, so they are on hand to help them with and subedit their work, because all trainees' work is subedited. So, yes, it is an impost at the moment but it is one that we are working through.

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30 *Committee Hansard*, 17 November 2014, p. 11.

31 Additional Information, Correspondence from Ms Eija Seittenranta, Chief Operating Officer, DPS to Committee Secretary, Senate Finance and Public Administration Legislation Committee, dated 5 December 2015, p. 2.

32 Additional Information, Correspondence from Ms Eija Seittenranta, Chief Operating Officer, DPS to Committee Secretary, Senate Finance and Public Administration Legislation Committee, dated 5 December 2015, p. 2.

33 Additional Information, Correspondence from Ms Eija Seittenranta, Chief Operating Officer, DPS to Committee Secretary, Senate Finance and Public Administration Legislation Committee, dated 5 December 2015, p. 2.

34 *Committee Hansard*, 17 November 2014, p. 11.

...What we have done is actually allocate additional days to those trainees to bring them into the workplace to assist so that our two editors who are offline can actually work with them. We have brought them into the workplace for additional days of employment in order to assist them through their training program.<sup>35</sup>

### *Hansard editing*

4.43 Ms Greening provided the committee with the following overview of how Hansard transcripts are produced and edited:

When a Hansard editor is sitting in the chamber, they are actually not taking down everything that they hear. What they actually do is they take down notes that help them to transcribe the corresponding 7.5 minutes of sound. They then go back to their desks and they use the audio that is provided by the ParlAV team, and they either rekey or revoice the audio into the Hansard Production System. They produce a transcript. For our trainees, every transcript that is produced by the trainees is subedited by an editor. In an environment where we had more trained staff, they would also subedit each other's work. But at the moment, because we have so many trainees, we take a risk management approach on some days, depending on how much work we have on hand and we will say, 'Okay, we're not going to subedit a fully trained editor's work today.'<sup>36</sup>

4.44 In terms of the level of subediting of Hansard transcripts, Ms Greening made the following comments:

[W]e do do a proof check before the Hansard is made official, as well.

...

The pink or the green—the draft—may go to a senator or member without having been subedited; it may be published that night without having been subedited by another editor. But what we try to do is to have it looked at before the Hansard is made official.<sup>37</sup>

4.45 On notice, DPS provided the following information on the frequency with which work was subedited:

Between 12 May 2014 and 1 November 2014, there were 7937 chamber turns transcribed and edited.

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35 *Committee Hansard*, 17 November 2014, p. 11. DPS subsequently clarified that '[s]ubediting of the trainees is not always done by their mentor; sometimes it is done by other PSL 6 editors. However, it is correct that all trainee's work is subedited', Additional Information, Correspondence from Ms Eija Seittenranta, Chief Operating Officer, DPS to Committee Secretary, Senate Finance and Public Administration Legislation Committee, dated 5 December 2015, p. 2.

36 *Committee Hansard*, 17 November 2014, p. 14.

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

Of the 7937 chamber turns, 3325 chamber turns (approximately 42 per cent) were subedited.<sup>38</sup>

4.46 DPS continued:

Prior to 12 May 2014, subediting of chamber turns was regularly rostered and undertaken with the exception of the sitting week of 24 to 27 March 2014 where, due to a high level of staff illness, only minimal subediting was undertaken. During 2013 and 2014, and prior to 12 May 2014, on each sitting day, all chamber turns transcribed by both editors and trainee editors were subedited with the exception of the sitting week of 24 to 27 March 2014 and during the weeks 26 – 29 August 2013 and 12 – 14 November 2013 when only chamber turns transcribed by trainee editors were subedited.<sup>39</sup>

4.47 The DPS answer to the question on notice reiterated that '[t]rainee turns have continued to be subedited 100 per cent of the time'.<sup>40</sup>

4.48 Ms Greening stated that, although all the fully trained editors have gone through an extensive training program, due to different levels of experience there will always be a 'slight difference' in the transcripts produced:

That is one of the reasons why we would like to subedit when we have resources on hand. Once our 20 trainees are through the training program, it will make it easier to do that.<sup>41</sup>

4.49 Ms Greening agreed that in situations where transcripts were not subedited, this placed enormous pressure on the editor doing the transcription;

But, even if we have every piece of work subedited, errors will still be missed. Sometimes, too, it is subjectiveness—it comes down to how an editor chooses to render something that they have heard. There might be another editor who disagrees with how they have rendered that, as well, so there can be some tension there between how the work is produced.<sup>42</sup>

4.50 In answers to questions on notice, DPS provided the following information about the Hansard error rate since 2007-08:

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38 Answer to question on notice, received 30 January 2015, p. 5. A 'chamber turn' refers to the 7.5 minute period that a Hansard editor is in the chamber and is subsequently produced as a Hansard.

39 Answer to question on notice, received 30 January 2015, p. 5.

40 Answer to question on notice, received 30 January 2015, p. 5.

41 *Committee Hansard*, 17 November 2014, p. 14.

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

Accuracy								
Type of transcription	Service Standard	Error rate						
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Chamber proceedings	5 or less errors per 100 pages transcribed	3 errors	2.7 errors	2.6 errors	3.9 errors	2.9 errors	4.4 errors	2.5 errors
Committee hearings	5 or less errors per 100 pages transcribed	1.4 errors	0.7 errors	1.3 errors	6.2 errors	11 errors	9.3 errors	7.4 errors

**Table 1: Hansard error rates 2007-08 to 2013-14<sup>43</sup>**

### *Committee view*

4.51 The committee understands that it may be hard to pin-point the cause of the low morale in Hansard. In fact, it is probably a mistake to attribute the low morale to a single cause. It seems evident to the committee that high staff turnover, necessitating the need for a significant increase in the number of trainee editors, in combination with a heavy workload and the pressure on resources impacting on the subediting of Hansard, would potentially lead to a general sense of unhappiness.

4.52 The committee is of the view that when the current 20 trainees have completed their training this should ease some of the strain within Hansard. Until that time the committee would encourage Hansard management to engage with the Hansard forum in order to put in place initiatives to help improve the current challenges.

4.53 In order to keep the committee informed of progress in this area, the committee is recommending that DPS provide information on Hansard staffing and operations, including the work of the Hansard forum, prior to each estimates hearing.

### **Recommendation 10**

**4.54 The committee recommends that prior to each estimates hearing, DPS provide the committee with the following information:**

- **the total number of editors employed by Hansard and a breakdown of those numbers into trainees and trained editors;**
- **the breakdown of the number of editors who are employed full-time, part-time and casual;**
- **the total number of chamber and committee turns transcribed by Hansard since the previous estimates update and the number of those turns which were subedited;**

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43 Answer to question on notice, 30 January 2015, p. 4.

- **where there has been a decision not to subedit turns, the reasons for that decision; and**
- **an update on the work of the Hansard forum.**

4.55 The committee has decided not to address the term of reference on the future of Hansard within DPS. This matter is more appropriately considered during the course of the independent structural review which is underway.

### **Visitor Services**

4.56 The committee received eight (identical) submissions from Visitor Services Officers (VSOs) regarding the proposed restructure of the staffing model and the roster for VSOs. The new roster would require VSOs to work an 8.5 hour shift, instead of the current 4.25 hours:

[The proposal for 8.5 hour shifts] discriminates against older VSOs and it removes work life balance, especially impacting parents and carers...

...

[The] proposed restructure is yet another repeated attack on VSO's conditions of work. The Visitor Services Section has been reviewed every two years over the last ten years. This creates a very uncertain and stressful working environment for VSOs.<sup>44</sup>

4.57 The VSOs' submissions also commented on the consultation which had taken place on the changes:

Information about the proposal was presented to VSOs in one hour-long session (5.30-6.30pm) on 18 September 2014. The closing date for comments from VSO's was set for 7.00pm on 2 Oct 2014.

In this period VSOs were given only one hour meeting time on 30 September 2014, that is 48 hours before [the] closing time [for comments]. Moreover, these two weeks fall within an extremely demanding work period for the VSOs. [The] Visitor Services Section is experiencing an acute shortage of staff, the new recruits are being trained on the floor by the VSOs and the two weeks set for consultation covered Parliamentary sitting days...

[The] proposed restructure constitutes a major change to working conditions of VSOs and as such requires [an] informed and considered response. [The proposed] timeframe is unacceptable.<sup>45</sup>

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44 *Submission 6*, p. 1. The submission by VSOs discusses an 8.5 hour shift, the DPS supplementary submission discusses the proposal in terms of a 7.5 hour shift.

45 *Submission 6*, p. 1.

4.58 In conclusion, the VSOs' submissions stated:

This ongoing and repeated erosion of workplace rights and conditions and the manner in which these plans have been implemented, with little genuine interest in seeking input amounts to work place bullying and harassment.<sup>46</sup>

4.59 DPS responded to the VSOs' submissions with a supplementary submission specifically addressing this issue. DPS stated that the 4.25 hour shifts worked by VSOs 'is out of step with other institutions that operate visitor services models'.<sup>47</sup> To illustrate this point DPS provided the following information:

The visitor services model at Parliament House is unusual in that there are no full-time permanent [VSOs]; instead all VSOs work part days and are either permanent part time or casual. Currently the mix is 17 permanent part time and 18 casual staff, all of whom work 4.25 hr shifts. [Other institutions] have a mix of permanent full- and part-time staff working full and part days with limited reliance on casual staff.<sup>48</sup>

4.60 DPS explained the background to the VSO restructure and roster changes:

Due to the additional funding received in the May 2014 Budget to cover [the 2014-15] financial year and the following three financial years, DPS is now in a position to look at reinstating services that were reduced in the 2008/09 budget cuts, including expanding our tour offerings to schools and visitors. DPS is therefore also considering expanding its range of employment options for VSOs to include a core of permanent full-time staff supported by permanent part time staff and some casual staff, with the majority of staff working full days. This initiative also supports the Parliamentary Service Employment Principles (within the Parliamentary Service Act) which states that the usual basis for engagement is as an ongoing Parliamentary Service employee. Further, DPS is aware that some VSOs have a number of part time jobs with different employers, and may welcome the opportunity to obtain permanent full-time employment with DPS.<sup>49</sup>

4.61 DPS explained the benefits of the change:

The proposed model creates a core of full-time staff supported by permanent part time staff and reduces our reliance on casual staff. Full-time staff would work 37.5 hours per week consistent with all DPS full-time employees. DPS believes that if there is a core of full-time positions, career opportunities will be enhanced through access to increased training opportunities. The proposed model also involves staff working full days as this will enhance efficiency of operations, as well as continuing our commitment to enhancing the visitor experience at Parliament House by offering more tours and programs...

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46 *Submission 6*, p. 1.

47 *Supplementary Submission 1*, p. 1.

48 *Supplementary Submission 1*, p. 1.

49 *Supplementary Submission 1*, p. 1.

In addition to expanding the range of employment opportunities for VSOs, the proposed model would achieve the following efficiencies:

- currently in order to cover a full day of operations, two VSOs each work a shift of 4.25 hours, totalling 8.5 paid hours. The proposed 7.5 hour full-time shift would achieve a 11.76% productivity in comparison to current model;
- improved operations through less changeover of staff on a daily basis, providing continuity in service delivery and enhanced communication within the team;
- increased learning and development opportunities to give sufficient time for VSOs to learn new tour products[;]
- reduction in overtime expenditure; and
- streamlined staff management and work practices through the reduced duplication in administration and training.<sup>50</sup>

4.62 DPS stated that 'no final model has been decided upon'. However:

A group of 13 casual VSOs are currently trialling full day work and this will inform consultation with staff, and any final decision on a staffing model.<sup>51</sup>

4.63 In terms of the timeframe for change:

DPS is keen to allow a transition period for those staff that want to work full-time and full days but who will need time to make changes to their personal arrangements to enable them to do so.<sup>52</sup>

4.64 DPS also addressed the concerns raised about the consultation process on these changes. DPS noted that there was an initial two weeks of consultation, with comments due by 2 October 2014:

At the end of the 2 week consultation period on 2 October, 23 written responses had been received. Responses were mixed and covered a range of issues. Some staff welcomed the opportunity to obtain full-time work; some had concerns that working full days would affect their personal arrangements, others had concerns regarding the physical demands of working a full day.<sup>53</sup>

4.65 DPS indicated that it had extended the consultation period, with a further consultation meeting with staff held on 22 October 2014:

At that meeting staff requested more detail regarding the implications of moving to full day shifts and what it would mean for their personal

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50 *Supplementary Submission 1*, pp 1-2.

51 *Supplementary Submission 1*, p. 2.

52 *Supplementary Submission 1*, p. 2.

53 *Supplementary Submission 1*, p. 2.



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circumstances. As a result of that meeting the next steps in the consultation process will include:

- a representative group of VSOs contributing to a risk assessment of full day shifts;
- developing a typical daily roster so that VSOs could see the range of tasks they would be required to undertake over the course of a full day;
- indicative salary calculations for full-time and part-time positions;
- call for expressions of interest to assess the actual interest in working full-time;
- additional development and costing of models or variations of the proposed model and roster; and,
- continue to trial full day shifts by new casuals, with an evaluation to occur at the end of December 2014.<sup>54</sup>

### *Committee view*

4.66 In the committee's view, DPS has acted with undue haste to try and change the conditions of employment for VSOs. While the committee appreciates DPS' argument that some VSOs may want to move to full-time employment, clearly that is not the case for all VSOs.

4.67 The committee shares the concerns raised by VSOs during the consultation regarding the physical demands of a full day shift. The committee would not like to see VSOs feeling pressured to leave the position because DPS will only offer full day shifts. Nor would the committee like to see the move to full day, full-time shifts impacting on personal arrangements, such as caring arrangements, that VSOs may have in place.

4.68 DPS claim that no final model has been decided on, but clearly DPS are strongly in favour of moving the VSO work force to full day, full-time positions, and are focussed on assisting staff to do this. The committee saw little evidence of consultation or assistance to staff who, for whatever reason, are unable to transition to a full day, full-time role.

4.69 The committee will follow this matter through the estimates process. In order to facilitate discussion of this topic at the next estimates hearing, the committee would like to be provided with the evaluation from the trial of full day shifts (which was to occur at the end of December 2014) by 1 October 2015.

### **Recommendation 11**

**4.70 The committee recommends that DPS provide the committee with the evaluation of the trial of the full day shifts by 1 October 2015.**

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54 *Supplementary Submission 1*, pp 2-3.



# 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.<sup>1</sup>

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.<sup>2</sup>

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'.<sup>3</sup>

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.<sup>4</sup>

### ***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'.<sup>5</sup>

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

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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.

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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.<sup>6</sup>

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.<sup>7</sup>

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.<sup>8</sup>

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.

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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.<sup>9</sup>

### *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.<sup>10</sup> 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.<sup>11</sup>

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

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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](http://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).

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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.<sup>12</sup>

### ***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).<sup>13</sup>

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.<sup>14</sup>

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

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

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.<sup>17</sup>

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.<sup>18</sup>

### ***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.

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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.



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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.<sup>19</sup>

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.<sup>20</sup> 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.<sup>21</sup>

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;

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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[.]<sup>22</sup>

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.<sup>23</sup>

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;

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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.<sup>24</sup>

### ***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.<sup>25</sup>

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

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.<sup>27</sup>

### ***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.

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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'.<sup>28</sup> 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.<sup>29</sup>

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.<sup>30</sup>

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

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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.<sup>31</sup>

### *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.<sup>32</sup>

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.<sup>33</sup>

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.<sup>34</sup>

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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.<sup>35</sup>

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.<sup>36</sup>

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.<sup>37</sup>

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.

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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.<sup>38</sup>

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.<sup>39</sup>

#### *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

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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.<sup>40</sup>

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.<sup>41</sup>

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.<sup>42</sup>

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

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

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

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



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architectural or heritage values of the Marble Foyer or the forecourt of Parliament House.<sup>43</sup>

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'.<sup>44</sup>

*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.<sup>45</sup>

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'.<sup>46</sup>

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:

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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.<sup>47</sup>

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.<sup>48</sup>

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.<sup>49</sup>

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.<sup>50</sup>

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

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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.<sup>51</sup>

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'.<sup>52</sup>

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'.<sup>53</sup>

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.<sup>54</sup>

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.<sup>55</sup>

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.

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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.<sup>56</sup>

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.<sup>57</sup>

### *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.<sup>58</sup> The committee understands that this material was made available by DPS without objection.

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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](http://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 25<sup>th</sup> Anniversary of Parliament House.<sup>59</sup>

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.

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

Senator Cory Bernardi

Chair

# **APPENDIX 1**

## **Submissions and additional information received by the committee**

### **Submissions**

- 1 Department of parliamentary Services
- 2 Community and Public Sector Union
- 3 Australian Parliamentary Service Commissioner
- 4 Australian heritage Council
- 5 Joint Standing Committee on the Parliamentary Library
- 6 Name Withheld (8 individuals)
- 7 Mr Michael Bolton
- 8 Speaker of the House of Representatives and the President of the Senate

### **Additional information**

1. Additional information from Department of Parliamentary Services, received 5 December 2014
2. Correction to evidence from Ms Bowring Greer, received 12 December 2014
3. Correspondence from Ms Anne Zahalka, received 3 December 2014
4. Correction to evidence from Ms Dianne Heriot, received 5 December 2014
5. Correspondence from Ms Carol Mills, dated 20 February 2015
6. Correspondence from the Privileges Committee dated 12 March 2015
7. Correspondence from the Clerk of the Senate, received 17 March 2015
8. Correspondence from the President of the Senate, received 19 March 2015
9. Correspondence clarifying evidence from 2 March 2015 public hearing, from Ms Myra Croke, received 12 May 2015

### **Answers to Questions on Notice**

1. Answers to questions taken on notice from Canberra Public hearing, 17 November 2014, provided by Department of Parliamentary Services, received 30 January 2015

2. Answers to questions taken on notice from Canberra Public hearings, 02 March and 16 March 2015, provided by Department of Parliamentary Services, received 01 May 2015
3. Answer to question taken on notice from Canberra Public hearings, 02 March 2015, provided by the Australian National Audit Office, received 31 March 2015
4. Answers to questions taken on notice from Canberra Public hearing, 14 May 2015, provided by Department of Parliamentary Services, received 05 June 2015



## **APPENDIX 2**

### **Public Hearings**

*Monday, 17 November 2014*  
*Senate Committee Room 2S1*  
*Parliament House, Canberra*

#### **Witnesses**

##### **Department of Parliamentary Services**

Ms Carol Mills, Secretary  
Dr Dianne Heriot, Parliamentary Librarian  
Mr Neil Skill, First Assistant Secretary, Building and Asset Management  
Ms Eija Seittenranta, Chief Operating Officer  
Mr Steve McCauley, A/g Chief Information Office  
Ms Karen Greening, Assistant Secretary Recording and Reporting  
Ms Freda Hanley, Assistant Secretary Parliamentary Experience  
Mr Gary Gordon, Assistant Secretary Strategic Asset Planning and Performance  
Mr Ben Wright, Chief Financial Officer  
Ms Erin Noordeloos, Assistant Secretary Security  
Ms Lisa Kearney, Director Legal Services  
Ms Justine Van Mourik, Manager Art Collection and Exhibition  
Ms Ilse Wurst, Director Heritage

*Monday, 2 March 2015*  
*Senate Committee Room 2S1*  
*Parliament House, Canberra*

#### **Witnesses**

##### **Australian National Audit Office**

Mr Ian McPhee, Auditor – General  
Ms Corrine Horton, Director, Performance Audit Services Group  
Mr Andrew Morris, Executive Director, Performance Audit Services Group  
Ms Barbara Cass, Group Director, Performance Audit Services Group

##### **Department of Parliamentary Services**

Ms Carol Mills, Secretary  
Dr Dianne Heriot, Parliamentary Librarian  
Ms Eija Seittenranta, Chief Information Officer

Mr Neil Skill, First Assistant Secretary  
Ms Myra Croke, Chief Operating Officer  
Mr Ben Wright, Chief Finance Officer  
Ms Karen Greening, Assistant Secretary  
Ms Freda Hanley, Assistant Secretary

*Monday, 16 March 2015*  
*Senate Committee Room 2S1*  
*Parliament House, Canberra*

**Witnesses**

**Department of Parliamentary Services**

Dr Dianne Heriot, Acting Secretary  
Ms Eija Seittenranta, Chief Information Officer  
Mr Neil Skill, First Assistant Secretary  
Mr Garry Gordon, Assistant Secretary, Strategic Asset Planning and Performance  
Ms Erin Noordeloos, Assistant Secretary, Security  
Ms Myra Croke, Chief Operating Officer  
Mr Ben Wright, Chief Finance Officer  
Ms Freda Hanley, Assistant Secretary

*Wednesday, 13 May 2015*  
*Senate Committee Room 2S1*  
*Parliament House, Canberra*

**Witnesses**

**Ms Carol Mills, individual capacity**

*Thursday, 14 May 2015*  
*Senate Committee Room 2S1*  
*Parliament House, Canberra*

**Witnesses**

**Department of Parliamentary Services**

Ms Myra Croke, Chief Operating Officer, Operations Division  
Ms Fiona Bowring-Greer, Director, Operations Division

## **APPENDIX 3**

### **Recommendations from the previous inquiry into the performance of the Department of Parliamentary Services**

**Inquiry into the performance of the Department of Parliamentary Services, Interim report recommendation:**

#### **Recommendation 1**

**5.24** The committee recommends that the Commonwealth Government provide the Department of Parliamentary Services a one-off additional appropriation of \$100,000 to be used, together with the existing Department of Parliamentary Services allocation of funds, for the completion of the document, *The Architect's Design Intent for Parliament House, Canberra: Central Reference Document*, by Ms Pamille Berg.

**Inquiry into the performance of the Department of Parliamentary Services, Final report recommendations:**

#### **Recommendation 1**

**10.12** The committee recommends that the funding and administration of the Department of Parliamentary Services be overseen by the Senate Appropriations and Staffing Committee and the House Appropriations and Administration Committee meeting jointly for that purpose, and that standing orders be amended as necessary.

#### **Recommendation 2**

**10.19** The committee recommends that the Department of Parliamentary Services implements appropriate training programs for managers in relation to bullying and harassment and ensures that adequate processes are in place so that all employees are confident in reporting bullying and harassment.

#### **Recommendation 3**

**10.20** The committee recommends that the Department of Parliamentary Services develop a bullying register to record information about bullying such as details of the incident, where it happened and what action that has been taken so that any trends can be quickly and easily identified.

#### **Recommendation 4**

**10.21** The committee recommends that if areas with systemic bullying issues are identified, that the Department of Parliamentary Services undertake a pre-

emptive investigation of the area rather than wait until formal complaints are received.

#### **Recommendation 5**

**10.22** The committee recommends that the Department of Parliamentary Services approach Comcare to undertake a further audit, including a survey of all staff, before the end of 2013 to measure improvements, if any, in the management of bullying and inappropriate workplace behaviour in the Department of Parliamentary Services.

#### **Recommendation 6**

**10.26** The committee recommends that the Department of Parliamentary Services ensure that all recruitment processes are open, transparent and based on merit.

#### **Recommendation 7**

**10.27** The committee recommends that the Department of Parliamentary Services ensures that all staff involved in the conduct of selection processes receive adequate training and that a review of recruitment processes and tools be undertaken to ensure that they are relevant and appropriate.

#### **Recommendation 8**

**10.28** The committee recommends that the Department of Parliamentary Services investigate the use of systems, including electronic recruitment, to better manage recruitment and ensure efficient processes.

#### **Recommendation 9**

**10.29** The committee recommends that the Department of Parliamentary Services approaches the Merit Protection Commissioner to establish independent selection advisory committees for forthcoming recruitment processes.

#### **Recommendation 10**

**10.32** The committee recommends that the Department of Parliamentary Services review rates of personal leave in order to identify any underlying causes of the high levels of personal leave taken in the department.

#### **Recommendation 11**

**10.33** The committee recommends that the Department of Parliamentary Services undertake a work health and safety audit within Hansard services to identify any factors contributing to overuse injuries.

#### **Recommendation 12**

**10.41** The committee recommends that the Presiding Officers arrange for the installation of a plaque within the Parliamentary Precincts, during the building's 25th anniversary, commemorating the contribution made by Mr Romaldo Giurgola, as well as all those who worked on the planning, design and construction of Parliament House.

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**Recommendation 13**

**10.49** The committee recommends that the Presiding Officers table in both Houses, on a biennial basis, a report devoted specifically to the building and its contents including information on the condition of the building and its contents, costs of upkeep of the building, heritage concerns and any other related matter so as to fully inform the Parliament and the public about the building.

**Recommendation 14**

**10.53** The committee recommends that the Department of Parliamentary Services undertake capability reviews in relation to design integrity, project management and technical areas including fire safety and engineering services.

**Recommendation 15**

**10.55** The committee recommends that the Department of Parliamentary Services undertake an audit of fire safety in Parliament House and consider reviewing the standard of building documentation.

**Recommendation 16**

**10.58** The committee recommends that the Department of Parliamentary Services provide more accurate, meaningful and transparent information, including information about costs and construction projects undertaken in Parliament House, in its annual report.

**Recommendation 17**

**10.63** The committee recommends that the Department of Parliamentary Services undertake a full audit of the Parliament House status A and B furniture with particular regard to condition, conservation measures, use of furniture, and past disposal practices.

**Recommendation 18**

**10.66** The committee recommends that the Department of Parliamentary Services ensures that all staff involved in contract development and management have relevant skills and receive appropriate training where necessary.

**Recommendation 19**

**10.68** The committee recommends that the Department of Parliamentary Services review the way in which it develops and manages contracts.

**Recommendation 20**

**10.69** The committee recommends that the Department of Parliamentary Services consider approaching the Auditor-General to undertake an audit by arrangement of DPS contract development and management.

**Recommendation 21**

**10.72** The committee recommends that the Security Management Board review the criteria for the issue of photographic security passes for Parliament House.

**Recommendation 22**

**10.74** The committee recommends that, as a matter of priority, arrangements should be completed for the transfer of responsibility for mobile and multifunction devices to the Department of Parliamentary Services.

**Recommendation 23**

**10.77** The committee recommends that the Commonwealth exempt the Department of Parliamentary Services from any future one-off, additional efficiency dividends.

## APPENDIX 4

### Update on the progress against the committee's recommendations from the previous inquiry

Recommendation	Original Response (Feb 2013)	Update (April 2015)
<p><b>Recommendation 1</b></p> <p>The committee recommends that the funding and administration of the Department of Parliamentary Services be overseen by the Senate Appropriations and Staffing Committee and the House Appropriations and Administration Committee meeting jointly for that purpose, and that standing orders be amended as necessary. (10.12)</p>	<p>The Department of Parliamentary Services (DPS) supports an appropriate level of scrutiny and advocacy for its role within the parliamentary system. There are currently four main layers of Parliamentary accountability for DPS.</p> <p>Most significantly the Presiding Officers have a direct line of accountability to them from the Secretary.</p>	<p><b>Not applicable for action by DPS</b></p> <p>Implementation of this recommendation through the proposed amendment of standing orders is a matter for the Senate and House of Representatives to determine.</p> <p>However, senior DPS officers to appear as requested before the Committee, the Joint House Committee as well as the Senate House Committee.</p> <p>Whilst standing orders have not been amended senior DPS officers have attended meetings of the Senate Appropriations and Staffing Committee, in addition to our regular appearances before the House Appropriations and Administration Committee.</p> <p>In addition, the Parliamentary Library is overseen by the Joint Standing Committee on the Parliamentary Library.</p>

<p><b>Recommendation 2</b></p> <p>The committee recommends that the Department of Parliamentary Services implements appropriate training programs for managers in relation to bullying and harassment and ensures that adequate processes are in place so that all employees are confident in reporting bullying and harassment. (10.19)</p>	<p>DPS supports this recommendation.</p> <p>In 2012 DPS focused on a corporate compliance training program to educate managers and staff on appropriate workplace behaviour through the following courses: Bullying and Harassment; Parliamentary Service Values &amp; Code of Conduct; Fraud and Ethics; and Work Health and Safety Awareness.</p> <p>Staff are required to attend these courses every two years. During 2011-12, there were 339 attendances recorded for these courses.</p> <p>In November 2012, DPS also conducted a pilot course on the management of workplace behaviour which was compulsory for all Parliamentary Executive Level 2 Directors.</p> <p>By July 2013 it is proposed that a suite of information and support tools for staff and managers that articulates roles and responsibilities will be available for all staff.</p>	<p><b>COMPLETE</b></p> <p>Work Health and Safety Awareness training includes a component on respect, courtesy and the prevention of workplace bullying and harassment.</p> <p>Training dates for the first half of 2015 are 18 February, 23 April and 21 May. Similarly, the WHS for DPS Supervisors course contains similar information, and training is scheduled for 14 April and 11 June.</p> <p>Being Professional in the Parliamentary Service training also includes components on appropriate workplace behaviour and the prevention of workplace bullying and harassment. Training dates for the first half of 2015 are 17 February, 2 April, 22 April and 10 June. A total of 33 officers attended these three sessions with another 6 so far registered to attend the session being conducted on the 10 June.</p> <p>Promoting Appropriate Behaviours @ DPS, and the Prevention of Workplace Bullying and Harassment publications are available on the DPS Staff Portal under 'Respectful and Inclusive Workplace'.</p>
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<p><b>Recommendation 3</b></p> <p>The committee recommends that the Department of Parliamentary Services develop a bullying register to record information about bullying such as details of the incident, where it happened and what action that has been taken so that any trends can be quickly and easily identified. (10.20)</p>	<p>DPS supports this recommendation.</p> <p>In July 2011, DPS established a Human Resource Register (Register) in which HR staff record workplace issues.</p> <p>DPS currently uses the Register as both a reporting mechanism and as a preliminary stage of its case management process to help ensure that all workplace matters are recorded and actioned through to an appropriate conclusion for the complainant and respondent.</p> <p>From March 2013 the DPS Executive will review regular reports on bullying and harassment complaints, disputes and pending workplace investigations.</p>	<p><b>COMPLETE</b></p> <p>HR Services has established a register of reported complaints and resolutions which have been escalated to them for investigation.</p> <p>All such complaints are investigated on receipt.</p>
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<p><b>Recommendation 4</b></p> <p>The committee recommends that if areas with systemic bullying issues are identified, that the Department of Parliamentary Services undertake a pre-emptive investigation of the area rather than wait until formal complaints are received. (10.21)</p>	<p>DPS supports this recommendation.</p> <p>DPS recognises that it is vital to address inappropriate behaviour as soon as it is identified. In accordance with the 2011 Comcare Bullying Prevention Audit, all DPS section managers have conducted formal Bullying Risk Assessments to identify whether trends or hotspots exist.</p> <p>In late 2012 DPS commenced a program to revamp and re-energise its Harassment Contact Officer (HCO) Network.</p> <p>All HCOs are required to report to HR Services any contact with staff regarding inappropriate behaviour.</p>	<p><b>COMPLETE</b></p> <p>Further to the above actions detailed above, DPS investigates all allegations. DPS is about to commence a refresh of awareness training.</p>
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<p><b>Recommendation 5</b></p> <p>The committee recommends that the Department of Parliamentary Services approach Comcare to undertake a further audit, including a survey of all staff, before the end of 2013 to measure improvements, if any, in the management of bullying and inappropriate workplace behavior in the Department of Parliamentary Services. (10.22)</p>	<p>DPS supports this recommendation.</p> <p>DPS has commenced preliminary discussions with Comcare to conduct a supplementary audit (including survey) similar to the bullying and harassment audit undertaken in late 2011.</p> <p>DPS anticipates that Comcare will conduct this audit and survey in late 2013. The survey will provide valuable feedback on the impact of strategies rolled out in 2012-13.</p> <p>DPS is the only Commonwealth premium paying agency that has accreditation to JAS-ANZ standards. As a result, Comcare will use the DPS WHS Management System as a case study for distribution to the wider Commonwealth.</p>	<p><b>COMPLETE</b></p> <p>Comcare revisited the Department in October 2013 to review progress against the original eleven recommendations from the 2011 Bullying Prevention Audit.</p> <p>Comcare indicated it was pleased with progress and more importantly made no further recommendations or exercised any formal powers under the Work Health and Safety Act 2011.</p> <p>DPS continues to work closely with Comcare and remains accredited against the SafetyMAP Work Health and Safety Management System Audit Tool to Joint Accreditation Australia and New Zealand (JAS-ANZ) standards.</p> <p>DPS participated in the 2014 APSC Census which includes questions on bullying and harassment. DPS will participate in the 2015 Census.</p>
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<p><b>Recommendation 6</b></p> <p>The committee recommends that the Department of Parliamentary Services ensure that all recruitment processes are open, transparent and based on merit. (10.26)</p>	<p>DPS supports this recommendation.</p> <p>The Parliamentary Service Act 1999 and the Parliamentary Service Determination 2003/2 provide the legislative framework for staff selection and engagement in the Parliamentary Service.</p> <p>To ensure that all recruitment processes are open, transparent and based on merit DPS will review its policies and guidelines in the first half of 2013. From early 2013, DPS will also introduce a formal process for all members of selection committees to declare perceived and actual conflicts of interest prior to short-listing applications.</p>	<p><b>COMPLETE</b></p> <p>Governance Paper 4.28 – People Management Policy – Conflicts of Interest was updated in March 2013 requiring all members of a selection committee to declare conflicts of interest prior to the shortlisting of applications.</p> <p>Governance Paper 4.6 – People Management Policy – Recruitment and Merit Selection was updated in September 2014 to provide greater detail around the merit principle (Clause 9.6 &amp; 9.7), oversight of all recruitment activities (Clause 8.3) and for Recruitment to assess disclosed Conflicts of Interest.</p> <p>Governance Papers 4.28 and 4.6 are currently under review due to the introduction of the eRecruit system in September 2014.</p>
<p><b>Recommendation 7</b></p> <p>The committee recommends that the Department of Parliamentary Services ensures that all staff involved in the conduct of selection processes receive adequate training and that a review of recruitment processes and tools be undertaken to ensure that they are relevant and appropriate. (10.27)</p>	<p>DPS supports this recommendation.</p> <p>A key component of the DPS corporate training agenda is Selection Advisory Committee (SAC) training. This training covers the application of the merit selection and the rigour required when making employment decisions.</p> <p>DPS will also ensure that only trained staff can participate in a Selection Advisory Committee.</p>	<p><b>COMPLETE</b></p> <p>To date, one on one training has been provided by Recruitment as required, due to the lack of participant registrations for the Selection Advisory Committee training available to staff through the DPS Corporate Training Calendar.</p> <p>The course content is currently under review to align with the review of Governance Papers 4.28 and 4.6 and the introduction of the eRecruit system in September 2014.</p> <p>Staff are encouraged to attend the ‘Getting that Selection Right’ one day APSC course.</p>

<p><b>Recommendation 8</b></p> <p>The committee recommends that the Department of Parliamentary Services investigate the use of systems, including electronic recruitment, to better manage recruitment and ensure efficient processes. (10.28)</p>	<p>DPS supports this recommendation. DPS notes the benefits of an electronic recruitment system and has commenced work on a comprehensive e-HR project to encompass electronic systems. It is expected this project will automate several HR manual processes to realise working efficiencies and assist staff in workflow processes and decision making.</p>	<p><b>COMPLETE</b></p> <p>The e-recruitment system was implemented in July 2014 providing the Department transparency, accountability and a greater level of efficient and reporting capability.</p>
<p><b>Recommendation 9</b></p> <p>The committee recommends that the Department of Parliamentary Services approaches the Merit Protection Commissioner to establish independent selection advisory committees for forthcoming recruitment processes. (10.29)</p>	<p>DPS supports this recommendation. DPS has commenced discussions with the Merit Protection Commissioner (MPC) on possible assistance with forthcoming recruitment processes, and developing strategies to be used across the Department to promote merit-based principles.</p> <p>The Department will continue to work with the MPC over the coming months with the aim of implementing this recommendation by 30 June 2013.</p>	<p><b>COMPLETE</b></p> <p>Following discussions with the MPC, DPS has a practice of having an external member on all SES selection panels and non SES panels.</p>

<p><b>Recommendation 10</b></p> <p>The committee recommends that the Department of Parliamentary Services review rates of personal leave in order to identify any underlying causes of the high levels of personal leave taken in the department. (10.32)</p>	<p>DPS supports this recommendation.</p> <p>Personal leave is an important entitlement for staff. Unplanned personal leave is often needed, not only due to illness, but for caring and other responsibilities. Data does show however, that rates of unplanned leave are above average in DPS.</p> <p>DPS recognises that failure to manage and address unplanned absence places other employees under unnecessary pressure.</p> <p>DPS will establish an Absenteeism Review Group comprising staff, managers and union representatives to assess the nature of unplanned staff absences.</p>	<p><b>COMPLETE</b></p> <p>DPS has worked actively with staff and union representatives across the organisation to better analyse the extent and causes of unplanned leave.</p> <p>In August 2013 the Department established a Workplace Absenteeism Review Group which represented all areas of DPS. The group was established to operate until June 2014.</p> <p>The group undertook research to determine underlying factors of unscheduled leave and developed questions used in the 2014 DPS Staff Census.</p> <p>DPS has also established an Absenteeism Toolkit which is available on the intranet, to assist managers in managing unplanned leave within their teams.</p> <p>With the implementation of SAP, accurate reporting on levels of unplanned absences will be available to managers from June 2015.</p>
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<p><b>Recommendation 11</b></p> <p>The committee recommends that the Department of Parliamentary Services undertake a work health and safety audit within Hansard services to identify any factors contributing to overuse injuries. (10.33)</p>	<p>DPS supports this recommendation.</p> <p>DPS has a number of staff in Hansard who have had workplace restrictions for many years. In 2011, there were eight (8) long-term cases in Hansard. As a result, DPS undertook a much more coordinated and proactive approach to assisting staff with workplace injuries, primarily through engagement of an Occupational Physician.</p> <p>In September 2012, it engaged SRC Solutions to undertake a risk assessment of the Hansard work environment.</p> <p>Given the SRC Solutions report, ongoing concerns about WHS raised by Hansard staff and broader workplace development opportunities, DPS will conduct a full review of Hansard in 2013.</p>	<p><b>COMPLETE</b></p> <p>A comprehensive work health and safety audit was undertaken in Hansard in October 2014. The report, which indicated a 'low to medium' risk, provided 45 recommendations which will be addressed through the development and implementation of an action plan in consultation with Hansard staff and Health and Safety Representatives.</p> <p>The final audit report was received by the Department on 19 February 2014 and work has begun to address the recommendations such as trialling different chairs and stools. Further actions to address the above recommendations are being developed.</p>
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<p><b>Recommendation 12</b></p> <p>The committee recommends that the Presiding Officers arrange for the installation of a plaque within the Parliamentary Precincts, during the building's 25th anniversary, commemorating the contribution made by Mr Romaldo Giurgola, as well as all those who worked on the planning, design and construction of Parliament House. (10.41)</p>	<p>DPS supports this recommendation.</p> <p>Arrangements are currently underway for a plaque to commemorate the contribution of the original architects and those who worked on the planning, design and construction of Parliament House. It is anticipated that the plaque will be placed in a prominent position within the Parliamentary Precincts during a special ceremony in mid-2013, the year of the 25th anniversary of the opening of Parliament House.</p>	<p><b>COMPLETE</b></p> <p>As the original architects were satisfied with the level of recognition already present in the Marble Foyer it was decided not to proceed with this recommendation in its original form.</p> <p>After consultation with Mr Giurgola, a certificate of appreciation was awarded to him as principal architect by the former Prime Minister, the Hon. Julia Gillard MP, at a 25th Anniversary event in June 2013.</p>
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<b>Recommendation 13</b>		<b>Action in train</b>
<p>The committee recommends that the Presiding Officers table in both Houses, on a biennial basis, a report devoted specifically to the building and its contents including information on the condition of the building and its contents, costs of upkeep of the building, heritage concerns and any other related matter so as to fully inform the Parliament and the public about the building. (10.49)</p>	<p>DPS supports this recommendation.</p> <p>DPS acknowledges the concerns of the Committee about the completeness, accuracy and transparency of information it provides, in addition to its overall capacity to effectively manage the building.</p> <p>In its evidence to the Inquiry in October 2012, DPS committed to reviewing the current methodology through which the condition of the building is assessed – the Building Condition Index (BCI) and the Engineering Services Condition Index (ESCI). This will be undertaken in 2013.</p> <p>As recommended, DPS will report to the Parliament through the Presiding Officers on matters relating to the building and its contents, including the costs of upkeep and operations and associated heritage issues.</p>	<p><b>Action in train</b></p> <p>The Conservative Management Plan project is on track for completion by mid-2015.</p> <p>The Strategic Asset Management Plan was delivered 31 March 2015.</p> <p>The Building Condition assessment (BCA) was delivered 2 March 2015.</p> <p>The format and content of the report to Parliament is being developed with the Presiding Officers.</p>

<p><b>Recommendation 14</b></p> <p>The committee recommends that the Department of Parliamentary Services undertake capability reviews in relation to design integrity, project management and technical areas including fire safety and engineering services. (10.53)</p>	<p>DPS supports this recommendation.</p> <p>The Department will commission focused capability reviews in the areas of design integrity, project management and technical services, including fire safety and engineering, in the first half of 2013.</p> <p>These reviews will identify the skills and qualifications of current staff and match those against identified corporate needs. This will be followed by a training and recruitment strategy to fill any internal gaps as well as inform DPS' approach to contracted services in specialist asset management areas.</p>	<p><b>COMPLETE</b></p> <p>The following actions have occurred:</p> <ul style="list-style-type: none"> <li>• Design Integrity – A specialist Heritage management team was established in 2013, including qualified Heritage expertise.</li> <li>• The Project Management Section restructure was completed July 2014 including the recruitment of a Director with Fire Engineer experience.</li> <li>• Appropriate additional short term fire and engineering resources are engaged on an as needed basis.</li> </ul>
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<b>Recommendation 15</b>		<b>Completion expected by June 2015</b>
<p>The committee recommends that the Department of Parliamentary Services undertake an audit of fire safety in Parliament House and consider reviewing the standard of building documentation. (10.55)</p>	<p>DPS supports this recommendation.</p> <p>Since July 2010, DPS has commissioned three investigations by specialist engineers into different aspects of fire safety systems including replacement of the fire indicator panels, fire sensors replacement, and fire penetrations audit and rectification. This has resulted in a program of works to upgrade and replace old and ageing infrastructure and systems, and expected changes to operational procedures. It is anticipated that all priority work will be completed by September 2014, with the remainder of the current program to be completed by June 2015.</p> <p>In 2012, the current documentation/drawing management system, which was specifically developed for the Joint House Department, was reviewed for its ability to continue to provide an efficient service. The review identified a number of deficiencies, primarily due to interoperability with legacy systems and productivity improvements which are now available with newer software packages.</p> <p>A scope for the technical documentation management system upgrade will be developed by June 2013, with the aim to commence the upgrade in the 2013-14 financial year.</p>	<p>Priority work completed in September 2014. Further work will be completed between November 2014 and June 2015.</p> <p>The approach to upgrading the system has been revised to draw upon the Building Information Modelling (BIM) capabilities, now and scope being developed as a component of the CMP work.</p>

<p><b>Recommendation 16</b></p> <p>The committee recommends that the Department of Parliamentary Services provide more accurate, meaningful and transparent information, including information about costs and construction projects undertaken in Parliament House, in its annual report. (10.58)</p>	<p>DPS supports this recommendation.</p> <p>A comprehensive review of the form and content of the Annual Report will be undertaken, including specific consideration of issues raised by the Committee.</p> <p>A full review of the DPS Key Performance Indicators has also commenced. It is acknowledged that the number of performance measures reported in the Portfolio Budget Statements and Annual Report is too great and many existing indicators do not facilitate useful analysis.</p> <p>Both reviews are related and will be conducted during the first quarter of 2013.</p>	<p><b>COMPLETE</b></p> <p>A review of all aspects of the Department's project management methodologies, including financial reporting and project governance was undertaken in the first half of 2013.</p> <p>To support its goal of improving the report, DPS commissioned an independent consultant to review its annual reporting process, taking account of best practice approaches to annual report writing as well as the Committee's feedback. This review was completed in August 2014.</p> <p>This provided an additional layer of rigour which assisted with the production of the 2013–14 Annual Report.</p> <p>These issues will be taken into account for the 2014-15 Annual Report.</p>
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<p><b>Recommendation 17</b></p> <p>The committee recommends that the Department of Parliamentary Services undertake a full audit of the Parliament House status A and B furniture with particular regard to condition, conservation measures, use of furniture, and past disposal practices. (10.63)</p>	<p>DPS supports this recommendation.</p> <p>DPS owns and is responsible for all status A furniture. However, existing arrangements for category B furniture are complex.</p> <p>DPS does not own or control a significant portion of the status B furniture. Broadly, DPS owns and looks after all status B furniture in general circulation areas and in the Ministerial Wing. The Chamber Departments own and are responsible for the status B furniture in their respective locations/departments.</p> <p>DPS will work with the other Parliamentary Departments to undertake a full audit of the Parliament House status A and B furniture with particular regard to condition, conservation measures, use of furniture and past disposal practices. This audit will be completed by the end of 2013.</p>	<p><b>COMPLETE</b></p> <p>DPS pro-actively commenced a full audit of Status A and B furniture in Parliament House, including assets owned by the chamber departments.</p> <p>The audit was completed on 14 August 2014. Work was delayed following the 2013 federal election and commencement of the 44th Parliament, as DPS staff were not afforded ready access to items under the management of the chamber departments.</p> <p>DPS will continue to explore options for a comprehensive tracking system of status A and B furniture.</p>
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<p><b>Recommendation 18</b></p> <p>The committee recommends that the Department of Parliamentary Services ensures that all staff involved in contract development and management have relevant skills and receive appropriate training where necessary. (10.66)</p>	<p>DPS supports this recommendation.</p> <p>As stated in response to Recommendation 14, DPS will conduct a skills audit in the first half of 2013 to identify the capability of officers currently in contract management roles. Where gaps are identified, staff will be provided with appropriate training to improve their contract management skills, including training by the Department of Finance and Deregulation, and nationally recognised training at the Certificate IV, Diploma or Advanced Diploma level as applicable.</p> <p>DPS will also ensure that in its recruitment process for positions relating to contract development and management that applicants demonstrate their experience and qualifications in this area.</p>	<p><b>COMPLETE</b></p> <p>DPS continues to provide training to staff in contract management roles. Training was conducted in February 2015; further training in April 2015 is fully subscribed.</p> <p>A new procurement manual and templates have been developed and released to staff in mid-April to ensure correct and consistent handling of procurement.</p> <p>A procurement team structure review by the CFO has been finalised and staff have been recruited.</p>
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<p><b>Recommendation 19</b></p> <p>The committee recommends that the Department of Parliamentary Services review the way in which it develops and manages contracts. (10.68)</p>	<p>DPS supports this recommendation.</p> <p>DPS will undertake a review of its procurement and contract framework in 2013 to ensure it is contemporary, robust and meets Commonwealth requirements and identified best practice.</p> <p>As part of the review, the Department will consider where its internal resources need to be complemented by external assistance, including legal assistance, contract negotiation expertise, and other subject matter experts.</p> <p>Where appropriate, DPS will consult the Department of Finance and Deregulation and the Auditor-General and engage external providers to assist in the review, to be completed by the end of 2013.</p>	<p><b>COMPLETE</b></p> <p>Please see recommendation 18.</p>
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<p><b>Recommendation 20</b></p> <p>The committee recommends that the Department of Parliamentary Services consider approaching the Auditor-General to undertake an audit by arrangement of DPS contract development and management. (10.69)</p>	<p>DPS will undertake the steps identified by the Committee and its response to Recommendations 19 and 20 to immediately improve its contract development and management capability.</p> <p>While this work is underway, DPS will approach the Auditor-General to seek his views on the best way to undertake an evaluation of DPS contract development and management, including a potential timetable for the evaluation.</p>	<p><b>COMPLETE</b></p> <p>The ANAO audit report was tabled in Parliament in February 2015.</p> <p>The Department has addressed some of the report's recommendations and is working to address the remainder.</p>
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<p><b>Recommendation 21</b></p> <p>The committee recommends that the Security Management Board review the criteria for the issue of photographic security passes for Parliament House. (10.72)</p>	<p>DPS supports this recommendation.</p> <p>This issue was also canvassed in the independent review of the 23 August 2012 security breach, along with a recommended review of the criteria for issuing 'unaccompanied' paper passes. As Chair of the Security Management Board, the Secretary, DPS will seek its support in early 2013 for a broad-ranging review including examining all categories of passholders and passholder privileges, based on an assessment of the risk of unrestricted access, to ensure that the number and type of active passes reflects business requirements for access to private areas.</p> <p>A short term response will include a revision of Operating Policy and Procedure No. 10.10 Parliament House Passes with particular reference to categories of passholders, vetting requirements, access privileges and duration of passes. Longer term implementation may include options for restricting access within the private areas of Parliament House using electronic access.</p> <p>The initial policy revision is expected to be completed by mid-2013, with implementation at the commencement of the 44th Parliament.</p>	<p><b>Completion expected by 31 May 2015</b></p> <p>DPS commissioned a review of the security pass policy and related procedures in 2013-14, which included reviewing the criteria for the issue of photographic passes. The Commonwealth Officer pass audit is complete.</p> <p>A review of Contractor passes has commenced and responses were due by 17 April 2015.</p>
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<p><b>Recommendation 22</b></p> <p>The committee recommends that, as a matter of priority, arrangements should be completed for the transfer of responsibility for mobile and multifunction devices to the Department of Parliamentary Services. (10.74)</p>	<p>DPS supports this recommendation.</p> <p>DPS and Department of Finance and Deregulation (Finance) are currently working on transferring the responsibility for multifunction and mobile devices such as Blackberries.</p> <p>The Special Minister of State has asked Finance to (legislatively) change the entitlement to agnostic technology prior to the transfer to DPS. Once this is done and the Presiding Officers have accountability for the determination to approve purchases, the costs of those items and usage will become DPS' accountability.</p>	<p><b>COMPLETE</b></p> <p>DPS and the Department of Finance completed the transfer of responsibility for mobile and multifunction devices to DPS on 1 July 2013.</p>
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<p><b>Recommendation 23</b></p> <p>The committee recommends that the Commonwealth exempt the Department of Parliamentary Services from any future one-off, additional efficiency dividends. (10.77)</p>	<p>While this recommendation is for the Government to respond, DPS supports in-principle, the examination of alternative funding models such as those canvassed in the Report.</p> <p>Furthermore, given the important visitor role undertaken by DPS on behalf of the Parliament that is comparable to that of Cultural Institutions exempt from the efficiency dividend, DPS also supports its exemption of from the efficiency dividend. It is noted that DPS does not have the flexibility that exists within large government agencies to absorb efficiency dividends.</p> <p>Finally, given its core role to support Parliament, DPS should be treated in the same way to the Chamber Departments which have been made exempt from the additional efficiency dividend.</p>	<p><b>Not applicable for action by DPS</b></p> <p>DPS notes that in the 2014-15 Budget it was allocated additional funding for:</p> <p>departmental expenses, \$15 million (PBS); Assessment and Strategic review of APH building, \$1.7million administered (PBS); redundancies, 2.6 million departmental (PBS and PAES); and APH Security Upgrades, 127.1 million departmental and administered (PAES).</p>
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