

**Senate Finance and Public Administration Legislation Committee
—Additional Estimates Hearing—February 2013**

Answers to Questions on Notice

Parliamentary departments, Department of Parliamentary Services

Topic: **Capital Projects**
Question: **105**
Hansard Reference **p34/35, 11 February 2013**

Date set by the committee for the return of answer: 2 April 2013

Senator FAULKNER: You might need to take this question on notice. How many capital expenditure projects do we have as we speak?

Ms Mills: I will take that on notice, but I will say two things if I may. The way in which we defined projects in the past has also led to there being a break-up into very small components parts and then being called separate projects, which I think is actually not then reflective of the nature of the work. So we have a reduced number because I have recategorised the way in which we have done them. We also have a reduced number this year because we have a significantly smaller capital budget, but I am certainly happy to give you a report.

Senator FAULKNER: Would all such projects have strategic assessments around them?

Ms Mills: In the future they will.

Senator FAULKNER: But not necessarily at the moment?

Ms Mills: At the moment we are, I suppose, in a transition phase.

Senator FAULKNER: Is it the same with heritage consultation?

Ms Mills: Yes.

Senator FAULKNER: Some do and some do not but all will in the future?

Ms Mills: All will in the future. At the moment we are, I would suggest, erring on the side of projects that may not necessarily require heritage. We are still applying that until we have confidence that our system is really clear.

Senator FAULKNER: Is moral rights consultation in the same process?

Ms Mills: Yes. I am currently looking at a process whereby we can review and ensure that our moral rights consultation processes are clear to all staff across the department.

Senator FAULKNER: So would presiding officer and parliamentary approval be applicable in each?

Ms Mills: I think that is valuable. I think you have to have two criteria: the scale of the work, as in the budgetary requirements for the work, but also, sometimes, its impact. It may be small in dollars but high in impact.

Senator FAULKNER: To save some time on this, would you take on notice to provide a list of current projects and how those characteristics I have mentioned may apply?

I am not sure if there are any other important issues. Obviously, there is a range of internal processes in the department that apply, but I would be interested to understand how those characteristics applied to the current list of capital projects—is that the correct terminology—

Ms Mills: Yes.

Senator FAULKNER: and what they are. The other thing you might logically include in that answer would be the budget figure for the project and any variation in terms of the outcome. That might be useful.

Ms Mills: I am happy to do that.

Answer

As stated at the Additional Estimates hearing on 11 February 2013, for several years it was DPS's practice to break up capital projects into smaller components, which were separately administered and reported on. This meant that not all projects had a full business case or strategic assessment applied to them.

DPS's new practice is to ensure full business cases are developed in the first instance and an appropriate strategic assessment applied. This will result in DPS reporting a lesser number of projects; but it will more accurately describe the scale and nature of capital works.

As this 2012–13 year is one of transition, as at 31 December 2012, DPS was managing 112 separate capital funded projects. This involved both building and ICT works.

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Of these, 21 were building-related which were of a large scale and/or with the potential to affect the design integrity of the building.

The **attached table** provides the information requested for each the 21 projects. The table identifies the original approved project budget and the current approved project budget in accordance with the 2012–13 Capital Works Program. Any variation to the original and current approved budget is explained in 'Comments / Reason for Variance'.

These projects have been identified using two criteria: scale of the work and impact. These projects typically require strategic assessment, heritage management consultation and may, depending on their nature, require moral rights consultation.

Not all projects require Presiding Officer and parliamentary approval.

Continuous Improvement

DPS is working to develop new processes for the management of projects to ensure appropriate and transparent levels of reporting and accountability. The revised processes will ensure:

- consistency for initiating, prioritising and approving project requests;
- detailed business case development (with emphasis on scope definition);
- ongoing project consultation including strategic assessment, heritage management and moral rights consultation if required; and
- reporting of project variances.

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Administered and Departmental Capital Projects as at 31-Dec-12

AE February 2013: QoN 105—Administered and Departmental Capital Projects as at 31-Dec-12

Project Name	Moral Rights consultation	Strategic Assessment	Heritage Consultation	Original Approved Budget	Current Approved Budget	Difference	Comment / Reason for Variance
Establishment of Parliamentary Budget Office (PBO)	In progress	Not undertaken	In progress	\$2,900,000	\$2,900,000	\$0	This is a full cost recovery project that DPS is delivering on behalf of the Parliamentary Budget Office (PBO). The project includes minor works to facilitate temporary accommodation for PBO staff, clearing spaces to make room for displaced DPS staff, permanent accommodation build works, workstations and equipment such as computers, multi-function devices, printers etc.
Theatrette and Viewing Room Upgrade	Not required	Not undertaken	Undertaken	\$2,100,000	\$1,340,000	-\$760,000	The Request for Tender (RFT) process returned a lower than expected price to complete the project.
Central Energy Upgrade Program	Not required	Undertaken	In progress	\$5,588,000	\$10,544,000	\$4,956,000	Original approved budget was for the replacement of chillers that provide air conditioning throughout the building. A review of the project resulted in the establishment of a program incorporating a number of related energy projects. The amalgamation of projects included: - Trigeration design. - Urgent Basement Computer Room air conditioning. - Peak load chillers and boilers for whole of building air conditioning. This accounts for the significant increase in the overall approved budget.
Improved Roof Security	Not undertaken	Undertaken	Not undertaken	\$230,000	\$401,000	\$171,000	The Request for Tender (RFT) process returned a higher price than expected. Project scope was increased to support interim measures identified in the Parliament House Protective Security Risk Review.
Main Production Kitchen	Not required	Undertaken	Undertaken	\$11,500,000	\$14,212,000	\$2,712,000	Project scope increased to include kitchen fire suppression systems, and the addition of freezer and cool rooms not included in original project scope.
Upgrade to Loading Dock Security	Undertaken	Not undertaken	Not undertaken	\$1,385,750	\$1,685,750	\$300,000	Project not completed within approved NPP budget. Additional funds required to complete project.
Internal Office Luminaires Upgrade	Not undertaken	Undertaken	Undertaken	\$3,075,000	\$3,075,000	\$0	No variation. Project in progress.
Air Handling Units Replacement	Not required	Undertaken	In progress	\$7,800,000	\$6,600,000	-\$1,200,000	Original approved budget reduced at completion of investigation activities.
Air Actuator Replacement	Not required	Not undertaken	In progress	\$2,425,000	\$3,625,000	\$1,200,000	Project scope increased during design and build activities to include air actuator controllers and infrastructure not included in the original approved budget.
Building Fan & Pump Motors Replacement	Not required	Not undertaken	Not required	\$2,180,000	\$2,180,000	\$0	No variation. Project in progress.
Uninterrupted Power Supply (UPS) Replacement	Not required	Undertaken	Not required	\$750,000	\$3,310,000	\$2,560,000	Original approved budget increased to include UPS infrastructure to support the Data Centre and critical security systems.

Project Name	Moral Rights consultation	Strategic Assessment	Heritage Consultation	Original Approved Budget	Current Approved Budget	Difference	Comment / Reason for Variance
Senate Accommodation - Meeting Rooms	Not undertaken	Undertaken	Not undertaken	\$1,500,000	\$770,628	-\$729,372	Project scope reduced to not include Corporate office modifications.
Door Actuators Link-ways and main doors	Not undertaken	Not undertaken	Undertaken	\$750,000	\$488,000	-\$262,000	\$262,000 of project funds transferred to the Chamber Door Locking Systems project to complete door actuators associated to the secure perimeter.
Chamber Door Locking Systems	Not undertaken	Not undertaken	Undertaken	\$1,000,000	\$1,535,000	\$535,000	Project budget increased to include: - door actuators (\$262,000); and - expansion of the secure perimeter which included additional electronic door locks.
Main Flag Pole Lighting	Not undertaken	Not undertaken	Not undertaken	\$265,000	\$240,866	-\$24,134	Project in progress.
Flusherette System Upgrade	Not required	Not undertaken	Not required	\$1,350,000	\$1,350,000	\$0	No variation. Project in progress.
Fire Systems Refurbishment	Not required	Not undertaken	Not undertaken	\$2,237,000	\$2,237,000	\$0	No variation. Project in progress.
Parliament House Integrated Management System	Not required	Undertaken	Not required	\$6,850,000	\$6,850,000	\$0	No variation. Project in progress.
Height Safety - Balustrades	In progress	Undertaken	Undertaken	\$1,100,000	\$1,100,000	\$0	No variation. Project in progress.
Emergency Warning & Intercom System (EWIS)	Not required	Not undertaken	Not required	\$3,000,000	\$2,921,000	-\$79,000	Project in progress.
DPS Accommodation Redevelopment (Library)	In progress	Undertaken	Undertaken	\$1,200,000	\$1,200,000	\$0	No variation. Project in progress.