DRAFT

Proposed reorganisation

Background

1 The Department of Parliamentary Services (**DPS**) was created on 1 February 2004 with the amalgamation of three longstanding parliamentary departments. Since then the corporate support functions have been merged and many work practices standardised, including conversion to a single finance system. Work to establish a common corporate environment for DPS continues with conversion to a single personnel system, negotiation of a single certified agreement to replace three of our existing four agreements, and development of a range of common polices all currently taking place.

2 However, apart from changes to the corporate area, there has been virtually no change to the way the outputs of the new department are delivered. In essence, the work continues to be managed as it was in the three former departments.

3 It is now appropriate to look more broadly at that work, and whether the creation of the larger department provides opportunities for our work to be done differently and better. In particular, we need to look at whether our work can be **managed** better in our new environment.

The current division of work in DPS

4 The work of DPS covers a wide range of apparently quite different subject matters. The diversity of our work is also evidenced by the diversity of skills among our staff, and it is easy to say that the plumbers' work is different from the ITOs' work and that the work of a librarian or a Hansard editor is different again.

5 The current division of work in DPS is based on the skills and experience of our workers rather than our managers—so, for instance:

(a) electricians work with other electricians and the electricians sit in the structure next to plumbers or engineers, and that group of staff sits in the structure next to staff whose expertise is in delivering building projects;

(b) Hansard editors work with other Hansard editors, and sit in our structure next to staff who organise the printing and distribution of Hansard (and a long way away from the electricians).

6 The managers who lead those work units of staff exercising similar skills or working with related material need not (and generally could not) have all the subject expertise of their staff. They are exercising a different set of management and strategic skills, and there are many ways in which units of expert staff can be organised under generalist managers—some of these may provide a better basis for organising the work of the larger department.

7 There is no reason to believe that DPS's current organisational structure is the natural or the only logical one.

8   Furthermore, there **are** reasons to believe that the current structure is responsible for some of the weaknesses in our operations, and especially in our client service approach.

Is the current structure the natural or only logical one?

9   Arrangements within each of the former departments have been different in the past, and some functions have previously been located in different departments—eg security was a chamber department function until last year; PISO, the predecessor of ITACS, was at one stage within the Parliamentary Library.

Does the current structure create problems?

10   The current structure appears to have a number of weaknesses. These are not related to the composition of expert work units, but to the arrangements for locating those expert work units into larger structures for management purposes. For instance, it may be quite logical to keep all our electricians together in an expert work unit—but whether a work unit responsible for maintaining electrical systems within Parliament House needs to be managed by the same people who also manage the delivery of major building projects is another question.

11   The following weaknesses appear to be related to aspects of DPS's organisational structure, in particular the division of management responsibility by reference to the skills exercised by staff and the matters dealt with by staff rather than by reference to the strategic roles of managers:

(a)   lack of strategic planning capacity;

(b)   failure to maintain client/provider distinction, with resulting disempowerment of clients;

(c)   project delivery favoured above infrastructure maintenance;

(d)   silo-based structures affecting the quality of problem-solving across the department.

12   All of these weaknesses have a direct or indirect effect on the quality of our client service. Each of these weaknesses is discussed in more detail below.

Lack of strategic planning capacity

13   The current structure does not provide a strategic planning capacity for DPS, or the Parliament as a whole (where DPS has a whole-of-Parliament role). There are or have been strategic planning units in the former departments, but because of their strong subject-matter expertise, they have remained focussed on the particular parts of the department they serve.

14   The lack of a strategic planning capacity may not be a direct problem for client service, but the inability of DPS to plan sensibly will eventually affect the quality of our client service. Most of the other identified problems have a direct impact on client service and client satisfaction.

Failure to maintain client/provider distinction

15   The organisational links have also led to a blurring of the distinctions between:

(a)   clients (those people, within or outside DPS, who have a legitimate business need for the delivery of a new or improved service; and

(b)   project deliverers (those who are responsible for delivering a project that will result in a new or improved service for the clients).

16   The blurring of distinctions may occur when the apparent clients are closely linked to the work unit that will deliver the project, especially where they have a common manager. In other cases, the real client and the project deliverer may be from very different areas of DPS or even of the Parliament, but the processes for approval and prioritisation of a program of projects may be dominated by the project deliverers rather than the clients.

17   Blurring the client/provider distinction has the effect of disempowering clients in various ways. It may also cause other problems.

(a)   What the client actually needs may be overlooked in favour of what the provider wants to deliver. This is particularly a problem when the real client is a chamber department, a disparate group of Senators and Members, some or all building occupants, or even members of the public, and that client is represented within DPS's processes by DPS staff who are closely linked with the DPS project delivery unit. In such cases, there is a risk that the real client's voice will not be properly heard.

(b)   Inexpert clients tend to hand over decision-making to "expert" providers, and expert providers tend to start giving policy advice to clients who in fact are responsible for those policy decisions. This can have serious effects on accountability, because people who have a major influence on decisions are not accountable for those decisions. This is a potential problem in any client/provider relationship, but is a particular risk if the expert providers have more influence than the clients within the larger organisation.

Project delivery favoured above infrastructure maintenance

18   In several areas, the organisational link between project areas and day-to-day deliverers of infrastructure has led to an undesirable weighting in favour of the project deliverers at the expense of both the infrastructure deliverers and the ultimate clients. In part this may be because project staff tend to be at higher levels, and to be more influential, than their colleagues who maintain existing infrastructure.

19   This means that too much effort is put into projects to deliver new or improved capabilities, and too little effort is put into working with existing infrastructure to provide services that clients really want.

Silo-based structures affect the quality of problem-solving across the department

20   The grouping of work units by reference to the skills exercised by staff and the matters dealt with by staff creates technically-based groups that are often referred to as "silos". A silo-based structure is not well suited to strategic decision-making, responsive client service or problem-solving.

21   Where problems are addressed in close-knit work units that include both internal representatives of external clients (ie clients external to the particular "silo") and the project deliverers, it is more likely that solutions will be technical solutions related to the subject-matter expertise of the work unit rather than solutions related to the business needs of the clients. This is especially a risk where the internal client representatives share the expertise of the project deliverer rather than the business needs of the real clients.

22   A silo-based structure can cause problems for clients, where the same group of clients has to deal with different approaches to client service from different parts of the department; the variation of approaches to "help desks" in DPS is an example of departmental structures over-riding client needs.

23   The organisation of the department into silos also reduces the scope for solving problems that cut across two or more subject matter areas (because the cross-department relationships that support such problem-solving are not strong).

How will the new structure help?

24   The new structure seeks to overcome these problems in two main ways:

  (a)   by setting up a strategic planning capability for DPS; and

  (b)   by recognising infrastructure maintenance and project delivery as separate activities that should be in distinct parts of the organisation.

25   In the longer term, the approach explained above should lead to:

  (a)   improved management decision-making;

  (b)   improved transparency and accountability;

  (c)   better allocation of resources;

  (d)   better interactions with our clients; and

  (e)   generally, doing our job better.

26   Doing our job better might involve:

  (a)   providing the same service at a reduced cost, so that savings can be used to fund new or improved services, or to offset other increases (eg energy or water costs, or wage rises);

  (b)   providing the same service but at a higher quality; or

  (c)   getting a better appreciation of client needs and then directing resources to what our clients want and what they think is important.