

The Senate

Finance and Public Administration
Legislation Committee

The performance of the Department of
Parliamentary Services

Final report

November 2012

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Senate Finance and Public Administration Committee Secretariat:

Ms Christine McDonald (Secretary)

Dr Jon Bell (Principal Research Officer)

Ms Margaret Cahill (Research Officer)

Ms Diana Harris (Administrative Officer)

The Senate
Parliament House
Canberra ACT 2600

Phone: 02 6277 3439

Fax: 02 6277 5809

E-mail: fpa.sen@aph.gov.au

Internet: http://aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/index.htm

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MEMBERSHIP OF THE COMMITTEE

43rd Parliament

Members

Senator Helen Polley (Chair)	ALP, Tasmania
Senator Scott Ryan (Deputy Chair)	LP, Victoria
Senator Richard Di Natale	AG, Victoria
Senator the Hon. John Faulkner	ALP, New South Wales
Senator Arthur Sinodinos	LP, New South Wales
Senator the Hon. Ursula Stephens	ALP, New South Wales

Participating members for this inquiry

Senator Stephen Parry	LP, Tasmania
Senator the Hon. Michael Ronaldson	LP, Victoria
Senator Nick Xenophon	IND, South Australia

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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.

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.

Chapter 1

Introduction

Terms of reference

1.1 On 23 June 2011, the Senate referred the following matter, as an inquiry under standing order 25(2)(a), to the Finance and Public Administration Legislation Committee, for inquiry and report by 29 November 2011:

The performance of the Department of Parliamentary Services (DPS), with particular reference to:

- (a) matters raised at the Budget estimates hearing of the committee on 23 May 2011 and in answers to questions taken on notice;
- (b) policies and practices followed by DPS for the management of the heritage values of Parliament House and its contents;
- (c) asset management and disposal policies and practices;
- (d) resource agreements and/or memoranda of understanding for the provision of services within and by DPS;
- (e) an assessment of the efficiencies achieved following the amalgamation of the three former joint parliamentary service departments and any impact on the level and quality of service delivery;
- (f) the efficient use, management and delivery of information technology services and equipment; and
- (g) any related matter.¹

1.2 The reporting date was subsequently extended to 28 June 2012. On tabling of the committee's interim report on 27 June 2012, the tabling date for the final report was extended to 28 November 2012.²

Conduct of the inquiry

1.3 The inquiry was advertised in *The Australian* newspaper and on the committee's website. The committee invited submissions from interested individuals, organisations and the Department of Parliamentary Services.

1.4 The committee received 24 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 16 November 2011, 2 May 2012 and 30 October 2012. A list of the witnesses who gave evidence at the public hearings is available at Appendix 2.

1 *Journals of the Senate*, 23 June 2011, p. 1100.

2 *Journals of the Senate*, 8 November 2011, p. 1796; *Journals of the Senate*, 27 June 2012, p. 2665.

1.5 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee's website at:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/index.htm

Background to the inquiry

1.6 During the committee's February 2011 Additional Estimates hearings, the sale, in late 2010, of two billiard tables from Parliament House was canvassed.³ The committee was told that a heritage assessment of the tables had been conducted before the sale.⁴ The 'heritage assessment' was provided in an answer to a question on notice and consisted of a handwritten annotation by the Disposal Delegate on the *Register of all furniture installed in the New Parliament House*.⁵

1.7 The disposal of the tables was again pursued at the May 2011 Budget Estimates. During questioning, the then Secretary of DPS, Mr Alan Thompson, confirmed that the annotation was the heritage assessment.⁶ Further, it was confirmed that the annotation had been added to the register after the Additional Estimates hearing.⁷ It was also revealed that the Disposal Delegate had no qualifications for assessing the heritage value of the tables.⁸

1.8 In its report to the Senate following the May 2011 Budget Estimates, the committee noted that it had requested that DPS provide it with the original version of the declaration of surplus or unserviceable items form and the asset register containing the annotation. The committee indicated that it would consider the matter further following receipt of the documents requested.⁹

1.9 In speaking to the Estimates report, Senator the Hon. John Faulkner noted:

Precisely eight months to the day after the sale had occurred, and only after extensive questioning at the Senate Finance and Public Administration Legislation Committee—only after those processes did we find out that no heritage assessment had been made prior to the sale, contrary to DPS policy; that the Senate's Finance and Public Administration Legislation

3 *Additional Estimates Hansard*, 21 February 2011, pp 16–17; 41–43.

4 Ms Judy Konig, Chief Financial Officer, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 42.

5 *Additional Estimates 2010–11*, Department of Parliamentary Services, *Answers to questions on notice*, No. 27.

6 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 34.

7 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 62.

8 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 65.

9 Senate Finance and Public Administration Legislation Committee, *Budget Estimates 2011–12*, June 2011, p. 4.

Committee had been misled; that inaccurate evidence to the committee had not been corrected and that very serious questions remain unanswered about the status of documents provided to the committee.¹⁰

1.10 Senator Faulkner went on to comment that the Senate earlier that day had agreed to refer a range of matters to the committee for inquiry. He noted the reference had been supported by Government, Opposition and Greens senators.¹¹

Interim report

1.11 On 28 June 2012, the committee tabled an interim report for its inquiry into the performance of DPS. The interim report canvassed the sale of the Parliament House billiard tables and the subsequent investigations undertaken by DPS. The committee's findings on this matter exposed less than satisfactory practices in DPS in relation to the disposal of Parliament House assets and the very poor response by senior officers to matters raised by the committee during estimates hearings. The interim report also canvassed issues in relation to the heritage status and heritage management of Parliament House. The committee indicated that there were a range of matters outstanding which required further investigation including bullying and harassment of DPS employees, recruitment procedures, design integrity issues in relation to projects managed by DPS, and budget issues.

1.12 The committee made only one recommendation in the interim report: that DPS be provided with additional funding of \$100,000 to ensure the completion of the Central Reference Document (CRD) by Ms Pamille Berg.

1.13 The interim report is reproduced in appendix 3 of this report.

Developments during the inquiry

1.14 During the inquiry, there were significant changes to senior executive staff in DPS. Ms Roxanne Missingham retired as Parliamentary Librarian on 13 February 2012 and Dr Dianne Heriot was appointed to that position. In early April 2012, Mr Alan Thompson retired as secretary of DPS. During the period before the appointment of a new secretary, Mr Russell Grove, former Clerk of the NSW Legislative Assembly, acted as secretary of the department and appeared at the committee's inquiry hearing of 2 May and at the May 2012 Budget estimates. On 28 May 2012, Ms Carol Mills, a former senior New South Wales public servant, commenced as secretary of DPS.

1.15 Following an initial review of DPS, Ms Mills indicated her concern that management structures did not work as well as they could to help staff focus on their cores areas of responsibility, work across teams or use resources most effectively. In order to strengthen DPS as a customer focussed organisation, Ms Mills proposed a structural realignment of the department which will see the regrouping of existing functions into seven divisions.

10 Senator the Hon. John Faulkner, *Senate Hansard*, 23 June 2011, p. 3707.

11 Senator the Hon. John Faulkner, *Senate Hansard*, 23 June 2011, p. 3708.

1.16 At the Supplementary Estimates of October 2012, Ms Mills informed the committee that new positions of Chief Information Officer and Executive Director, Building Management, had been created and recruitment was under way.¹² Ms Mills also noted that three senior executive staff, Mr David Kenny, Deputy Secretary, Ms Bronwyn Graham, Assistant Secretary, Building Services, and Ms Liz Bryant, Assistant Secretary, Projects, had retired from the department as their former positions no longer existed under the new structure.¹³

Structure of report

1.17 The report is structured as follows:

- chapter 2 discusses DPS as an employer and addresses bullying and harassment, appointment practices and occupation health and safety issues;
- chapter 3 canvasses heritage values and maintenance of Parliament House;
- chapter 4 provides details of four recent projects undertaken by DPS: the House of Representatives Chamber Enhancement project, the DPS Staff Accommodation project, the Staff Dining Room project and the car park lighting project;
- chapter 5 addresses the management of assets in Parliament House, in particular the disposal of assets and provides details of the disposals including the Bertoia chairs as well as the removal of the terracotta pots from parliamentarians' offices;
- chapter 6 canvasses security issues in Parliament House including security enhancement projects and matters related to the Parliamentary Security Service;
- chapter 7 provides details of information technology issues including the outcome of the review of ICT for the Parliament commissioned by the Presiding Officers;
- chapter 8 examines the amalgamation of the three parliamentary service departments and the DPS budget since it was established in February 2004;
- chapter 9 addresses a range of other matters raised during the inquiry including accountability issues; and
- chapter 10 provides the committee's overall conclusions for this inquiry. It brings together various themes running through the report and makes recommendations for improved accountability, project and asset management, and employment practices.

12 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 24.

13 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 49.

Evidence reviewed

1.18 In coming to its conclusions, the committee has not limited itself to evidence received during the inquiry. Rather, it has reviewed an extensive range of additional evidence including answers to questions on notice provided in the House of Representatives and the Senate, in particular answer to Senate question on notice No. 682, DPS Annual Reports, evidence taken during estimates hearings and answers to questions on notice arising from estimates.

1.19 The committee found it a difficult task to piece together all the facts of some of the matters canvassed from this range of sources. In particular, the committee notes that sometimes the precise details of matters the committee wished to pursue were unclear from the evidence reviewed, for example, the aligning of information in DPS annual reports and estimates evidence was problematic. As a consequence, the committee sought a range of additional documents from DPS and has examined these during its deliberations.

Further information received

1.20 The committee commented in its interim report on the apparent loss of original records created by the building architects, Mitchell/Giurgola & Thorp. Following tabling of the report, the National Archives of Australia provided further information about the evidence received in relation to the records and stated that 'we have not been able to find any evidence that the records referred to by Ms Berg were ever transferred from the controlling authority to the Archives or have at any time ever been in the custody of the Archives'.¹⁴

1.21 The committee notes that the controlling authority was, in the first instance, the Parliament House Construction Authority followed by the former Department of Administrative Services.

Acknowledgements

1.22 The committee thanks all those who contributed to the inquiry by making submissions, both public and confidential, providing additional information, and appearing before it to give evidence.

1.23 For many people, providing a submission in relation to their time while employed by DPS has revived unpleasant memories of bullying and harassment. As noted in chapter 2, the committee has been unable to adjudicate on individual cases of bullying and harassment. However, the committee has used this evidence to build a picture of employment practices in DPS. The committee encourages any DPS employee, both former and current, who feels that their case has not been adequately addressed to date, to again approach the department to discuss their concerns.

14 Letter to the committee from Dr Stephen Ellis, Assistant Director-General, National Archives of Australia, dated 16 August 2012.

Notes on references

1.24 References to committee Hansards in this report are to final Hansards except for the Supplementary Budget Estimates of October 2012 and the hearing conducted with DPS on 30 October 2012 where reference is made to the proof Hansard. All Hansards are available on the committee's website.

Chapter 2

Employment issues in the Department of Parliamentary Services

Introduction

2.1 This chapter canvasses issues relating to DPS as an employer including bullying and harassment, recruitment practices, workforce trends and occupational health and safety issues.

Bullying and harassment

2.2 A very disturbing issue raised in submissions and evidence was the alleged extent of bullying and harassment within the Department of Parliamentary Services (DPS). Much of the evidence received by the committee was provided in confidential submissions with the majority of these submissions providing details of individual cases. The committee agreed that it was not in a position, nor would it be appropriate, to adjudicate on individual cases. This decision is in line with that of other Senate committees provided with information about individual cases concerning the matters under review. However, the consideration of the evidence contained in these submissions provides a picture of the employment culture within DPS.

2.3 The committee was also mindful that reliance on information in submissions from a limited number of individuals may distort its view of the level of bullying and harassment within DPS. Therefore, as part of its deliberations on this matter, the committee has examined a range of other material, in particular the survey of DPS staff carried out in late 2011 by ORIMA Research.

2.4 The committee also notes that some matters have been considered by Fair Work Australia. The committee has noted these matters but will not be commenting on their outcome.

Submitters to the inquiry

2.5 The following evidence is taken from confidential submissions. As has already been stated, the committee will not be deciding on the merits of individual cases. Rather, the committee wishes to provide examples of the type of allegations received and the reported response from DPS to the allegations raised.

2.6 The allegations of bullying and harassment came from staff across the department and involved all levels of staff in DPS. Some submitters described individual incidents that they had experienced or had observed. Another witness, however, commented that the 'greater issue at DPS is the systematic and organised form of bullying that is entrenched rather than the individual incidents'.¹

2.7 The following provides examples of the type of conduct provided in submissions:

1 *Confidential submission.*

- use of the performance management system as a tool to bully staff with unsubstantiated claims and innuendo being used;
- accusations of not upholding parliamentary service values being made when employees questioned DPS management decisions;
- use of code of conduct investigations as a tool to bully staff;
- bullying occurred in private with staff members being refused requests for another staff member to attend;
- bullying occurred at staff meetings in the form of derogatory comments, for example, a staff member was told that they were 'too stupid to be given a task' and comments made which marginalised the professional input of staff;
- staff physically ostracised by being moved to accommodation away from their team and even to areas at a significant distance from the team;
- staff members were professionally ostracised, that is, staff were left out of, or not notified about, important meetings with team members or other areas of DPS when relevant work was being discussed;
- derogatory comments being made about staff in emails which were forwarded to a range of other staff members;
- bullying of members of staff recruitment panels to ensure that the 'favoured' candidate was selected; and
- allegations of sexual harassment with this type of behaviour being a source of humour among peers.

2.8 The effect of bullying conduct on individual staff members has been significant with one submitter describing the ostracism they had suffered as 'so insufferably lonely, unstimulating and hopeless that all I could do in response was to seek outside employment.'² Other submitters described health problems including depression and high blood pressure.

2.9 Submitters also put to the committee that many DPS employees chose to stay silent over bullying and harassment because of the conviction that no action would be taken by DPS in response to a complaint. In some cases it was alleged that the protagonists were promoted or provided with other 'rewards' rather than being sanctioned for their behaviour. Part of the reason for the lack of action, it was argued, was the perception that some of the perpetrators were the 'favourites' of executive officers. It was also alleged that there was a fear of witnesses reporting bullying becoming a victim themselves. Indeed, one submitter suggested that as a consequence of providing a witness statement to an incident, they had become a victim of bullying themselves and chose to leave the department when offered a redundancy.³

2 *Confidential submission.*

3 *Confidential submission.*

2.10 Others submitters stated that victims decided to leave DPS rather than report bullying and risk further victimisation. One submitter stated that a colleague, who had chosen to leave the department after experiencing bullying, found the events so traumatic that it was many months before the person could walk back into Parliament House without feeling physically ill.⁴

2.11 When victims did decide to report bullying and harassment, it is alleged that no support was provided by DPS. One submitter stated that, following the report of instances of bullying, matters improved for a short time. However, the submitter found that they were then treated differently to other members of the section and, as a consequence, after a period of depression brought on by the employment situation, they had left DPS.⁵

2.12 It was also alleged that DPS management argued that there was no bullying in DPS, rather, there were 'performance management' issues stemming from the inability of staff to handle performance management initiatives or staff feeling left out, not properly consulted or not engaged with or part of a larger planning process. The submitter concluded that:

Whilst this may have an element of truth the reality for many is that DPS Executive have honed their skills in exclusion, isolation, denial of meaningful work and performance censure to a level that is bullying.⁶

Community and Public Sector Union members

2.13 The Community and Public Sector Union (CPSU) is the primary union covering the parliamentary departments, including DPS. The CPSU undertook a staff survey in June 2011 of all staff in DPS with the majority of the respondents being CPSU members. The outcome of the staff survey supported the evidence received by the committee in confidential submissions.

2.14 The CPSU advised that one third of DPS staff reported that they had experienced bullying. Hansard and the Information Access Branch accounted for half of the instances of bullying. Examples of bullying behaviour provided by staff included:

Being asked if I think it was the right workplace for me.

Being micro-managed and a total lack of loyalty and support from my supervisor.

Being overloaded with work was as a result of unrealistic deadlines and shortage of staff. As EL staff have lost flexitime, it seems to be implicitly expected by senior management that you will work extra hours with little if any compensation.

Belittling in front of other staff; being expected to perform higher level tasks; information being withheld that is necessary to perform job.

4 *Confidential submission.*

5 *Confidential submission.*

6 *Confidential submission.*

Colleagues of mine have been subject to high levels of bullying from a particular individual at SES level.

Management had my performance rating downgraded from highly effective to effective.

Not bullying, just "nit picking". Lack of support. No praise for the 100 things you do right, and "disapproval" for the one thing that might not be perfect. One co-worker belittles me in front of others, and criticises me, but with a smile.

Staff shortages put you in a position of doing more hours and seeming churlish if you need to refuse for personal reasons.

Refused carers leave to look after blind family member.⁷

2.15 The CPSU indicated that despite the high levels of bullying reported in the survey, only one quarter of the staff had reported the behaviour to supervisors or DPS human resource management. Reasons they did not make a report included:

Because nothing would happen even if you did report it.

I didn't want to make more trouble for myself.

I do not believe that I would be supported. I believe that I would be considered 'precious' and a trouble maker.

Ongoing negative culture of how people are treated rather than identifiable incidents.

Wasn't sure if it counted as bullying, I discussed it with my former supervisor. It's a bit tricky when it's a supervisor and director you are dealing with.

Who to? It would only cause more problems. I did speak to both the people concerned and they denied the behaviour, so you just have to "get on with it".⁸

2.16 The results of the survey also showed that just under one quarter of DPS staff indicated that they were not aware of the DPS bullying and harassment procedures. Two thirds of respondents to the survey considered that DPS did not provide adequate training on bullying and harassment. The CPSU recommended that DPS ensure that all staff are aware of current bullying and harassment guidelines.⁹

2.17 The CPSU believed that these responses indicated that many staff felt that bullying behaviour is not adequately addressed by DPS management with four in five staff not believing that DPS management placed importance on eliminating bullying and harassment from the workplace. The staff most likely to indicate this worked in Hansard and the Research Branch. The survey also found that only five per cent of staff thought that bullying complaints were dealt with quickly and appropriately, and

7 CPSU, *Submission 16*, p. 10.

8 CPSU, *Submission 16*, pp 10–11.

9 CPSU, *Submission 16*, p. 11.

almost one quarter of DPS staff disagreed that quick and appropriate action was taken. Of those staff that did report bully, no one reported being satisfied with the response received.¹⁰

2.18 Mr Alistair Waters, Deputy National Secretary, CPSU, explained to the committee the complex nature of bullying and harassment:

Bullying and harassment in many ways goes much more to a workplace culture issue. Frankly, the union plays a role in this. Bullying and harassment is significantly less common in well-organised workplaces than it is in less well-organised workplaces. It is a matter of confidence on the part of workers. In my experience, what can be seen as bullying by one worker in one environment may well be water off a duck's back for a worker who is much more confident in their work environment, so experiences around bullying are far more complex. Clearly, based on the comments we have got back, there is a significant element of workload pressure that is feeding into bullying and harassment concerns here in DPS.¹¹

2.19 Mr Waters commented that there is a lower level of confidence in the processes to deal with bullying and harassment in DPS than in other agencies and that 'the general culture of a workplace has a much bigger influence in terms of something like bullying and harassment and the reported numbers than you find with something like the selection process issue'. The CPSU also pointed to the lack of action on bullying and harassment by DPS with Mr Waters stating that 'I would not say that in our view that a clear and consistent message that staff are safe to report it and that issues will be taken seriously has been communicated consistently through the organisation'.¹²

2.20 The CPSU delegate for DPS, Mr Leo Vukosa, also commented that, while he has received increasing numbers of people contacting over the last 24 months seeking advice about bully and harassment, many staff had not wanted to take the matter further. Mr Vukosa stated that those contacting him did not want further action as they were afraid of the consequences particularly in a tight job market and as being labelled as a trouble maker or someone who speaks out too often. Mr Vukosa noted that through his intervention there was often a successful outcome. However, he noted:

There have been other instances where the manager has denied the bullying, I have taken it further up the chain to the executive and the executive, though very high on words, are very low on actions. In the majority of the cases this is true...

It has been common knowledge throughout DPS that people that do speak out if they see something wrong or because they feel they have been dealt with inappropriately find that their career paths are more or less stalled for the rest of their time here. So it is an ongoing issue. I am not sure if it is

10 CPSU, *Submission 16*, p. 11.

11 Mr Alistair Waters, Deputy National Secretary, CPSU, *Committee Hansard*, 2 May 2012, p. 16.

12 Mr Alistair Waters, Deputy National Secretary, CPSU, *Committee Hansard*, 2 May 2012, p. 16.

something that is unique to DPS, but it definitely happens at DPS. I have seen it with my own eyes and heard it with my own ears.¹³

Allegations of bullying raised during estimates hearings

2.21 Allegations of bullying and culture of bullying and harassment in DPS have been raised at the committee's estimates hearings for a number of years. At the October 2010 Supplementary Estimates, questions were asked about the incidence of bullying and harassment as a committee member had received an email from a DPS employee who outlined incidents described as bullying. The employee alleged that no action had been taken by DPS to address the issue.¹⁴

2.22 The then Secretary of DPS, Mr Alan Thompson, stated that he was not aware of any instances of bullying being cited as a reason for leaving the department but commented that 'I would not want to pretend that there has never been any reports because we have had some feedback through our most recent staff survey'.¹⁵ Ms Roxanne Missingham, the then Parliamentary Librarian who also had oversight of the human resource function at that time, concurred that no one had cited bullying as a reason for leaving the department.¹⁶ In addition, Ms Missingham commented that 'during my period of being responsible for the human resource services, we have not had a bullying complaint come through [harassment officers] that has required investigation'.¹⁷

2.23 However, Ms Missingham added that DPS staff surveys sought information on bullying with the 2009 survey including an 'extensive range' of questions on bullying. Information from the Australian Public Service Commission indicated that there were some differences in the results of some branches in DPS and the public sector generally. DPS management had responded by asking each branch to emphasise appropriate behaviour and to ensure that staff reported such behaviour.¹⁸

2.24 Bullying and harassment was also canvassed in both the Supplementary and Additional Estimates 2010–11 with DPS responding to questions on notice regarding workplace bullying. DPS stated that from 2006–07 to 2010–11, 47 individuals had indicated in their exit interviews that they had experienced or observed workplace harassment, bullying or discrimination in the workplace. Of these, 21 individuals

13 Mr Leo Vukosa, Delegate, CPSU, *Committee Hansard*, 2 May 2012, pp 16–17.

14 *Supplementary Estimates Hansard*, 18 October 2010, p. 21.

15 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 18 October 2010, p. 21.

16 Ms Roxanne Missingham, Parliamentary Librarian, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 18 October 2010, p. 22.

17 Ms Roxanne Missingham, Parliamentary Librarian, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 18 October 2010, p. 23.

18 Ms Roxanne Missingham, Parliamentary Librarian, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 18 October 2010, p. 22.

stated that the matter had been raised with the DPS Harassment Contact Officer, their supervisor, senior officer and/or DPS Employee Assistance Provider.¹⁹

Table 2.1: Allegations of bullying from exit interviews raised before exit from DPS

Year	Number of allegations raised in exit interviews
2006–07	6
2007–08	5
2008–09	5
2009–10	5
2010–11	0

Source: Supplementary Estimates 2010–11, Answer to question on notice No. P8.

2.25 DPS stated that 'every effort is made to follow up reports appropriately...the nature of the follow-up action takes into consideration whether the claim is about a supervisor, work colleague or subordinate'.²⁰

2.26 DPS reported that five employees had indicated during exit interviews that workplace harassment/bullying was an influencing factor in their decision to leave DPS.²¹ Of the five exit interviews in 2009–10 where allegations were made, two named individuals but DPS stated it was already aware of the circumstances prior to the exit interviews and added that 'there is no other indication of the individuals named being difficult to work with, and DPS has not moved them to other positions'.²²

2.27 DPS provided the following additional information on reporting of bullying and harassment.

19 Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2010–11, Department of Parliamentary Services, *Answers to question on notice No. P8.*

20 Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2010–11, Department of Parliamentary Services, *Answers to question on notice No. P8.*

21 Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2010–11, Department of Parliamentary Services, *Answers to question on notice No. P8.*

22 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2010–11, Department of Parliamentary Services, *Answers to question on notice No. 29.*

Table 2.2: Reporting of bullying and/or harassment

When reported/recorded	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
During employment only						1*
At exit interview only ²³	1	4	1	3	16	5
At exit interview and said then that it had been previously reported ²⁴	3	6	5	5	5*	3

*the instance in 2010–11 led to a formal investigation. Formal investigations were conducted for 2 of the 5 instances in 2009–10.

Source: *Senate Hansard*, 16 August 2011, *Question on notice No 682*, p. 4576.

2.28 Following media reports, bullying was canvassed at the 2011 Budget Estimates hearings.²⁵ Ms Missingham commented that apart from exit interviews, she was unaware of any allegations of bullying by ongoing staff in the previous financial year.²⁶ DPS was questioned whether any of the five employees who reported bullying during exit interviews were employed with Parliamentary Security Services (PSS). Ms Bronwyn Graham, then Assistant Secretary, Building Services Branch, reported that one of the five cases was a casual PSS officer. She described the actions taken:

That particular incident was reported to me immediately on receiving the exit interview survey. I know that that particular individual did not name anyone specifically—did not make any specific allegations of bullying. That individual's comments were very generic. I took that very seriously. I met with the director of HR at the time, and we decided on a course of action in terms of how we should deal with that. I think it is fair to say that we felt those claims of general bullying allegations were a result of that individual being performance managed.²⁷

23 Questions in the Exit Interview questionnaire changed over time to include: in 2008 and 2009 whether harassment, bullying or discrimination had been experienced or observed; and in 2010 an additional question was asked if this had been observed.

24 Some reports of workplace harassment at Exit Interviews indicated that incidents had been previously reported to someone, but not all such reports could be confirmed as having been made.

25 Danielle Cronon, 'Parliament bullying claims logged', *Canberra Times*, 25 April 2011, p. 3.

26 Ms Roxanne Missingham, Parliamentary Librarian, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 30.

27 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 45

2.29 DPS provided the committee with information on the status of the eight matters raised at exit interviews in 2010–11. Where the behaviour had not been reported previously, one matter had been resolved, the staff member responsible was not identified in one case and in case where staff member was identified, the former officer did not wish to pursue the matter after being interviewed by HR staff. In relation to the three cases where it was indicated that the matters had been raised previously, none of the employees participated in a one-on-one interview with HR services. However, the appropriate work areas were alerted by HR services.²⁸

2.30 Following the 2011 Budget Estimates, DPS provided the committee with information on the number of formal allegations of bullying from ongoing staff.

Table 2.3: Allegations of bullying from ongoing staff

Year	Number of allegations from ongoing staff
2008–09	0
2009–10	2
2010–11	1

Source: *Budget Estimates 2011–12, Answer to question on notice No. 22.*

Comcare audit

2.31 As part of Comcare's 2011–12 Preventing Workplace Bullying Campaign, Comcare conducted an audit of DPS with the aim to improve the management of bullying and inappropriate workplace behaviour risks to health and safety in DPS. The audit was first examined at the 2012 Additional Estimates and again at the committee's May hearing. DPS indicated that Comcare had approached DPS to participate in the audit. In the first instance, the Comcare audit was to be restricted to a small number of staff. However, DPS sought Comcare's agreement for all staff to be surveyed.²⁹

2.32 Comcare undertook a desktop audit of DPS systems and policies and an online survey:

It also included an online survey which was open to all DPS employees from 19 to 30 September. We received a report and the survey results on 23 December and that provided us with a number of pieces of information. We had 259 responses, which was around 30 per cent of the response rate. At that point in time our headcount was 835, so I am assuming that it would be around 30 per cent.³⁰

28 Department of Parliamentary Services, *Answer to question on notice No. 8*, dated 15 May 2012.

29 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 37.

30 Ms Karen Sheppard, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 48.

2.33 The Comcare audit found that, while a high proportion of staff indicated that they understood what type of behaviour constitutes bullying, only 31 per cent felt confident to speak up about inappropriate behaviour and less than half (47.8 per cent) agreed or strongly agreed that instances of bullying were taken seriously by management. Further, the survey noted that only 40.1 per cent agreed or strongly agreed that managers lead by example to prevent workplace bullying.³¹ The audit made nine recommendations to improve OHS strategies and systems and DPS's prevention and education programs.³²

2.34 Mr David Kenny, then Deputy Secretary, stated that DPS had accepted the recommendations and he had asked the HR director to develop an implementation plan for each of the recommendations and advise Comcare of that plan.³³ DPS also reported that all new employees are provided with a pamphlet outlining their responsibilities in relation to the Parliamentary Service and Code of Conduct, and DPS presents regular induction workshops for new employees covering the Parliamentary Service Values and Code of Conduct. In addition, all employees are encouraged to attend bullying and harassment awareness workshops.³⁴

ORIMA staff survey

2.35 In March 2012, the results of the 2011 DPS staff survey conducted by ORIMA Research were made available to DSP.³⁵ A total of 460 staff (of 817 sampled) took part in the survey, representing a response rate of 56 per cent. The survey included questions on bullying and harassment. The survey found that while the results were consistent with the 2009 DPS staff survey, overall levels of perceived bullying and/or harassment at DPS were above average for medium APS agencies.

2.36 Of concern was that around one in five staff (23 per cent) indicated that they had been subjected to bullying and/or harassment in the 12 months prior to the survey. This was a small increase from the 20 per cent recorded in the 2009 survey and above the 17 per cent for medium APS agencies. Just over one in ten staff (12 per cent) indicated that the bullying and/or harassment was still ongoing, while 11 per cent indicated that the bullying and/or harassment was no longer occurring. Those staff most likely to have experienced bullying and/or harassment were at the PSL 1–2 level and/or had a disability.³⁶

31 Comcare, *Bullying Prevention Audit Report, Department of Parliamentary Services*, September 2011, p. 19, Attachment B, p. 3.

32 Comcare, *Bullying Prevention Audit Report, Department of Parliamentary Services*, September 2011, pp 6–7.

33 Mr David Kenny, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 48.

34 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 23*.

35 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012.

36 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 76.

2.37 Around one-third (32 per cent) of staff indicated that they had witnessed bullying and/or harassment at DPS in the last 12 months, above the 27 per cent recorded in 2009.

2.38 The survey provided information on the nature of bullying and/or harassment with the most likely type of behaviour being psychological and based on perceived personality differences. The psychological nature of bullying and/or harassment was characterised by:

- humiliation through sarcasm, criticism or insults, sometimes in front of others;
- managerial style;
- persistent and unjustified criticism; and/or
- intimidating or aggressive body language.³⁷

2.39 The survey found bullying and/or harassment also related to:

- perceived personality differences: 46 per cent;
- work performance: 41 per cent;
- managerial style: 34 per cent;
- employment status: 23 per cent;
- age: 11 per cent;
- gender: 5 per cent;
- race/ethnicity: 5 per cent;
- disability: 5 per cent;
- political opinion: 5 per cent
- religion: 2 per cent;
- sexual orientation: 2 per cent; and
- other: 18 per cent.³⁸

2.40 Of those who reported bullying and/or harassment, half indicated that someone more senior to them (other than their supervisor) was responsible. This was followed by co-workers (41 per cent) and direct supervisors (35 per cent).³⁹

2.41 In relation to reporting of bullying and/or harassment, of those who had either witnessed or experienced bullying and/or harassment, 29 per cent indicated that they had reported it. This is below the findings of the 2009 survey (37 per cent) and the

37 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 77.

38 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 78.

39 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 79.

40 per cent for medium APS agencies. The ORIMA Survey provided the main reasons for not reporting bullying and/or harassment as:

- being deterred by potential repercussions (52 per cent);
- leaving the decision to report the incident to the victim or it being reported by someone else (37 per cent);
- feeling their report would not be taken seriously (31 per cent); and/or
- feeling that they would not be believed or it being too hard to prove (23 per cent).⁴⁰

2.42 When bullying and/or harassment was reported, staff indicated low levels of satisfaction with the way the report of the incident was handled. In 2011, 17 per cent of staff were satisfied, down from 27 per cent in 2009 and well below the 38 per cent for medium APS agencies.⁴¹

Response by DPS

2.43 The incidence of bullying and/or harassment in DPS was canvassed at the committee's May hearing. DPS outlined the response to the Comcare audit and stated that a management plan had been accepted by Comcare. In May 2012, Comcare inspectors had reported that progress had been made on implementing the plan and that there was a clear commitment from senior management to deal with workplace bullying and/or harassment.⁴² In addition, compulsory staff workshops were being held.⁴³ Mr Kenny also indicated that DPS had recently initiated a code of conduct investigation as a result of bullying allegations. In relation to this case, Mr Kenny noted that a previous allegation had been made and the relevant manager had not acted on it.⁴⁴

2.44 At the May 2011 Budget Estimates, Mr Thompson was questioned about bullying claims and responded that 'in any workplace there are always concerns about whether people feel as though they are being bullied'. He went on to state that he took the claims 'very seriously' and that he expected line managers, assisted by Human Resource officers, 'to thoroughly investigate any allegations of bullying'. Once the allegations are fully investigated, in cases where the allegation is proven, 'we would

40 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 80.

41 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 80.

42 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 36.

43 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 31.

44 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 37; see also Department of Parliamentary Services, *Answer to question on notice No. 9*, dated 15 May 2012.

then initiate a process to ensure that the bullying ceased and action taken with regard to any officer who was deemed to have bullied'.⁴⁵

2.45 Mr Thompson went on to state that in some cases 'the reality is that somebody believes they are being bullied when all that is happening is they are receiving fair and reasonable feedback about attendance or work performance or whatever'. He concluded that DPS 'every time seeks to be fair to the supervisor or the other party, whoever that is, in sorting out whether bullying has really occurred or whether it is a perception'.⁴⁶

2.46 Ms Missingham outlined the process that would be used to investigate an allegation of bullying:

There is a Department of Parliamentary Services practices policy and all the staff are employed under our guidelines and policies and practices. The referral process is through HR to the relevant senior executive service member, which would normally be the person who is the branch head, which would normally be the assistant secretary of research or the assistant secretary of information access within the library if there was a reported allegation of bullying.⁴⁷

2.47 In response to concerns raised about the robustness of DPS's processes, Mr Thompson stated:

I am concerned about all bullying. We have an active program to attempt to get people to come forward if they do believe they have been subject to bullying and we normally then manage that through our HR people as a disinterested third party to try to get to the bottom of the real situation for each one. If those cases we only learned about it at the end, I apologise for that, but nevertheless we do actively tried to prevent bullying and deal with it in the here and now rather than waiting until somebody leaves.⁴⁸

2.48 At the committee's May hearing, the DPS response to bullying was explored. The then acting Secretary, Mr Russell Grove, commented on the results of the surveys and whether they pointed to a systemic problem in DPS:

A difficulty associated with surveys is that, while they are valuable, they need to be put into context. For example, only a bit over half, 56 per cent, responded to the survey. If you take into account the percentage of those who made comment about bullying, I think to draw the conclusion that

45 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 29.

46 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 29.

47 Ms Roxanne Missingham, Parliamentary Librarian, *Budget Estimates Hansard*, 23 May 2011, p. 31.

48 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 30.

bullying is rife and extends right through DPS is an unfair conclusion to draw. That is not taking away from the importance of the issue.⁴⁹

2.49 Mr Grove also commented on the difficulties of investigating bullying if the allegations were raised only raised during exit interviews rather than when it occurred:

If, for example, all the five people came from one branch and they had the same supervisor, clearly there is a message there. It may be that they are across the branches. While people report that at exit interview, some people say, 'I'm telling you this but I don't want you to do anything about it because I am going interstate and I am not available to talk about it anymore, but I thought you should know.' It is very difficult of course to investigate something like that. As we know, it is very easy to throw the bomb and then leave the arena. You have got someone who is being accused of bullying—and it may very well be true—but to verify the information and provide procedural fairness to everybody concerned, including the person who made the allegation and the person about whom the allegation is made, is quite a difficult thing to do in that circumstance.⁵⁰

2.50 However, Mr Grove also stated that 'I think no one is denying that something does need to be done about this issue and positive steps taken'. He also noted that DPS was preparing an action plan 'so that people have the opportunity to speak up without being afraid'.⁵¹ Mr Grove also conceded that the survey results were very concerning compared to other medium agencies in the APS.

2.51 The views put by DPS were not shared by the CPSU. Mr Waters argued that it was very concerning that only 29 per cent of employees who had experienced or witnessed bullying had reported it. Mr Waters indicated that DPS had written to the CPSU just prior to the committee's hearing indicating that 'DPS is committed to promoting a positive, inclusive and supportive workplace culture' and that a plan had been put in place after the Comcare audit.⁵² However, Mr Waters commented:

Obviously there are always differences of opinion that do occur...We have probably found the department far more defensive when it comes to some of our concerns about HR practices and policies, be it in relation merit recruitment or the bullying and harassment issues. The department, as late as Monday, provided us with information indicating that they felt that they had been taking steps to promote an inclusive and supportive workplace culture which is free of bullying and harassment. Certainly the evidence that we have from our members is that they do not feel that to be the case.⁵³

49 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 31.

50 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 40.

51 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 35.

52 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 14.

53 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 13.

Committee comments

2.52 The committee notes the comments made by the then acting Secretary, Mr Grove, that it was an unfair conclusion to make that bullying is rife and extends throughout DPS. However, the committee considers that there is overwhelming evidence to the contrary: confidential submissions detailed individual cases that point to long term, unacceptable behaviour and lack of action to remedy the situations; and, two all-staff surveys found a disturbing level of bullying and/or harassment and low degrees of confidence to report that behaviour.

2.53 The parliamentary service is often very demanding, with long hours and requirements to produce highly quality and accurate work within tight deadlines. The committee considers that it is unacceptable that staff working in this environment, indeed in any work environment, have also experienced bullying and/or harassment. This has taken the form of direct verbal abuse, sexual harassment and ostracism both physical and professional. The consequences of this behaviour have been hugely detrimental to individual staff with some pointing to episodes of depression and other illness. The committee is aware that some employees have chosen to leave DPS for other agencies rather than continue working in an unacceptable environment. Being forced to change workplaces can be very disruptive and may impact adversely on career progression. DPS has also suffered through the loss of experienced staff, time spent in recruiting new staff and the impact on the general morale of the department.

2.54 That bullying and harassment has been allowed to flourish for such a length of time within DPS points to ineffectual processes, lack of leadership and lack of commitment to stamping out this type of behaviour. There also appears to have been an element of denial in the responses received from the former management of DPS. The committee notes that both the 2009 and 2011 ORIMA staff surveys found worrying levels of bullying and/or harassment and lack of confidence in reporting this behaviour – only 29 per cent of relevant reported the behaviour in 2011 and 37 per cent in 2009. Yet, during estimates hearings it was stated that the DPS executive had only been aware of allegations of bullying raised in exit interviews. The committee finds that such evidence underscores its grave concerns about the role and performance of management in DPS in relation to staffing issues.

2.55 The committee welcomes the comments of the new Secretary, Ms Carol Mills, that bullying and harassment are not appropriate in any workplace and that a culture of respect will eradicate avenues for bullying. Ms Mills has also pointed to the need for leadership in behaviour and management style.⁵⁴ The committee is deeply concerned that effective action be taken immediately to redress the current unacceptable culture in DPS and will continue to monitor implementation of programs through estimates hearings.

54 *Sunday Canberra Times*, 'New Parliamentary Services boss declares war on bullies', 29 April 2012.

Recruitment and selection

2.56 A further issue identified in the ORIMA survey, and raised in submissions, related to DPS recruitment practices, principally that appointments were not based on merit but based on nepotism, favouritism and patronage.

2.57 The ORIMA survey found that staff at DPS held 'mixed' views about aspects of recruitment and selection. Just under half of staff (46 per cent) agreed that recruitment and selection policies and procedures were fair, while 27 per cent disagreed. The level of agreement in 2011 was lower than in 2009 (58 per cent) and lower than for similar APS agencies (51 per cent). Just under one-quarter of staff (23 per cent) agreed that DPS was good at selecting the right people for the right job, while 43 per cent of staff disagreed.⁵⁵

2.58 The committee received similar information in confidential submissions which pointed to training and promotional/acting advantages for those staff who were seen to be in the 'inner circle' and/or favoured by DPS executive officers. In addition, the committee received evidence that selection panels were pressured into not interviewing all suitable candidates and recruiting favoured staff. There were also allegations that selection criteria were changed so that the most appropriately experienced applicant for the position was not successful and relatively inexperienced and unqualified applicants were appointed.⁵⁶

2.59 The evidence in relation to recruiting received by the committee was supported by the findings of the CPSU all-staff survey. Two thirds of the respondents to the survey indicated that they did not believe that recruitment and promotion decisions within DPS are based on merit. Comments from DPS staff regarding current recruitment processes included:

Assistant Directors are often not trained editors, they do not stay in the positions for as long as they used to, and favouritism has been known to happen, resulting in inefficient (and sometimes incompetent) officers at that level.

Far too much nepotism.

I feel that duty statements/selection criteria are sometimes amended to suit a particular applicant.

I have witnessed nepotism, cronyism and discrimination by selection panels (or some members or chairs of panels) that constitute a major divergence from the APS principles of merit selection.

It depends on the panel. Some are good and honest, others misuse the interview process to intimidate less preferred candidates. Some follow riding orders with regards to certain people.

Jobs are for friends and family much of the time.

55 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey*, 5 March 2012, p. 64.

56 *Confidential submissions.*

Lack of equitable treatment, accountability and transparency of recruitment process for internal applicants.

Nepotism, grooming of certain staff for promotions.

Some (a small minority) of recruitment decisions appear to have been made prior to commencing the recruitment process.

The decision of recruitment panels not being accepted by management.

There is obvious nepotism in the DPS and toadyism is one of the main games played by anybody seeking advancement.⁵⁷

2.60 In speaking to the results of the survey, Mr Waters, CPSU, commented that the responses received were 'deeply concerning'. Mr Waters noted the legislated requirements for merit based selection process however, in relation to DPS, he commented:

I would have to say that I am struck by the number of conversations that I have with members in DPS where these issues are referred to casually in passing as the ordinary state of affairs. We as an organisation do not feel that this should be the ordinary state of affairs in any element of government service. It is not good for public administration. To have this strength of comment and, I would have to say from my personal experience, the regularity and general acceptance of that as the state of being is deeply concerning.⁵⁸

2.61 Mr Waters went on to state that the comments from DPS staff were 'atypical' given the CPSU's engagement with other agencies across the public sector. While noting that staff selection processes by their very nature are contentious, Mr Waters stated that the 'situation in DPS goes significantly beyond that normal level of comment or contention' and further that:

There is that sense of normalcy where staff see the promotion and selection decision being made on a basis which they consider to be other than merit based. We make no comment about any particular selection process but, when you look at the general comments that are made, there is clearly a very strong perception among staff that the processes in DPS are not merit based. That is atypical of government service as a whole.⁵⁹

2.62 The response by DPS executive to concerns about recruitment raised by the CPSU were seen as 'quite defensive about the processes that they apply and generally are along the lines that the processes are appropriate'.⁶⁰

Nepotism

2.63 The committee explored alleged cases of nepotism and favouritism during the committee's estimates hearings in 2010. In the first instance, a member of the

57 CPSU, *Submission 16*, p. 12.

58 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 15.

59 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 15.

60 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 15.

committee reported receiving substantial amounts of anonymous information alleging nepotism in DPS. The then secretary of the department, Mr Thompson, was asked whether there is a cultural issue that would drive people to provide such information. Mr Thompson responded:

I am surprised about the word 'nepotism'. I have not heard that said about the Department of Parliamentary Services at all. It is a department that prides itself on adopting the merit principle in terms of appointments, so I am quite surprised.⁶¹

2.64 The allegations were outlined during the hearing. Prior to taking maternity leave, the personal assistant to the former Assistant Secretary of the Building Services Branch was transferred to a higher position in DPS security administration. It was alleged that this occurred so she could go on a higher rate of pay while on maternity leave. When the personal assistant commenced her maternity leave, her husband moved to the then vacant higher position in DPS security administration. The person who then filled the personal assistant position was a former bridesmaid of the personal assistant. The central issue was the allegation that the appointments were not merit based.⁶²

2.65 Mr Kenny responded:

Yes, we would certainly like to have the names to investigate the process by which people were put into jobs. However, from what you have said, I am aware of a couple of the people and the jobs they were in, and the job of executive assistant to Karen Griffith was one of the jobs. There was a person in that job who was appointed on merit. Subsequently she was promoted into another job, as I understand from memory. That was as a result of an advertisement and a merit selection.⁶³

2.66 Mr Kenny went on to state that the personal assistant's husband had filled the temporary personal assistant vacancy on a non-ongoing basis. Mr Kenny could not confirm whether the husband had then filled the high duties position.⁶⁴

2.67 DPS set out the employment history of the two employees in an answer to a question on notice:

1. In response to the question of the Senator, we have set out the employment history of the two employees, as detailed in paragraphs 3 to 20 below. DPS trusts that this information responds to the questions raised by the Senator, but we have not been made privy to the detailed papers that he was reading from at the Estimates hearing.

61 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 50.

62 *Budget Estimates Hansard*, 24 May 2010, pp 50–51.

63 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 51.

64 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 51.

2. Selection practices for the various positions were in accordance with DPS HR policies. It is noted that there have been multiple selection panels, with a wide variety of members.
3. Employee X was engaged as a non-ongoing Parliamentary Service Level (PSL) 4 employee in the DPS Executive office in an administrative role from 9 October 2006 to 22 December 2006.
4. An ongoing PSL 4 position, Executive Assistant to the Deputy Secretary, was advertised on 26 October 2006. Employee X was the successful candidate.
5. Employee X permanently transferred at PSL 4 to the position of Executive Assistant, Building Services Branch from 16 July 2007.
6. Employee X was transferred on Temporary Assignment of Duties (TAD) at the PSL 5 level in the Facilities section within Building Services Branch from 28 May 2008 to 27 May 2009.
7. Employee X undertook a short-term acting opportunity at the PSL 6 level through a TAD in the Security section within Building Services Branch from 7 July 2008 to 22 August 2008.
8. An ongoing PSL 5 position in the Facilities section was advertised on 12 June 2008. Employee X was the successful candidate.
9. Employee X took maternity leave from 22 September 2008 to 10 July 2009.
10. Employee X's position in the Facilities section was backfilled by another DPS officer on a TAD from 24 September 2008 to 10 July 2009.
11. The husband of Employee X (Employee Y) registered with the DPS Temporary Employment Register on 31 May 2008.
12. An internal process to fill a TAD for the position of Executive Assistant to the Assistant Secretary, Building Services Branch, was initially successful. However, the successful internal applicant withdrew from the TAD effective from 10 June 2008. Employee Y was engaged as a non-ongoing PSL 4 employee in the Executive Assistant, Building Services Branch position from 16 June 2008 to 15 June 2009.
13. Employee Y completed two non-ongoing PSL 5 TADs within the Hansard section in Content Management Branch from 23 February 2009 to 9 April 2009 and from 11 May to 15 May 2009.
14. Employee Y transferred to the non-ongoing PSL4 position Executive Assistant, Content Management Branch on 4 May 2009.
15. The Executive Assistant Content Management Branch was advertised as an ongoing PSL4 position on 9 June 2009.
16. Employee Y's initial engagement as a non-ongoing PSL 4 employee was extended from 16 June 2009 to 15 July 2009 as the selection process for the position he was occupying was still underway.
17. Employee Y resigned as of 3 July 2009 to take up ongoing employment at another Commonwealth agency.

18. The successful applicant for the Executive Assistant, Content Management Branch position subsequently declined the offer of employment. The position was readvertised on 11 September 2009, and the successful candidate's appointment was approved on 22 October 2009.
19. At no time did Employee Y hold any position in the Facilities section.
20. A PSL 4 position in the Facilities section was advertised on 17 January 2008. While the successful candidate did have a personal relationship with Employees X and Y, neither Employee X nor Y had any involvement in the selection process.⁶⁵

2.68 A further allegation of nepotism was also raised in connection with the second of two security reviews⁶⁶ which resulted in staff cuts. DPS indicated that both reviews were conducted internally and not by a consultant.⁶⁷ Mr Bob Konig, a non-ongoing employee, was engaged to facilitate and lead the review work as a DPS employee within Building Services Branch. DPS indicated that Mr Konig was the husband of the then Chief Financial Officer (CFO), Ms Judy Konig. When asked about his security background, the committee was told that he did not have a background in the security area but he brought 'quite a significant body of experience in the public sector assisting organisations to do reviews'.⁶⁸

2.69 Ms Graham explained the nature of the work in undertaking the security review as reviewing the structure and the way in which the administrative and support processes work together rather than security risk or how those risks were managed. Ms Graham also added:

But I reiterate that Bob Konig did not have any involvement in the review of the security roster. His work was solely based on the management structure.⁶⁹

2.70 Mr Kenny supported this view and stated that 'the work that was done on the other two reviews related to how we run our rosters rather than how many people we need to have at certain points, although there was a bit of that aspect'. It was noted that Mr Konig did not have any security expertise and Mr Kenny concluded:

65 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2010–11, Department of Parliamentary Services, *Answer to question on notice No. P8*.

66 The review of security conducted in 2008 was a structural review and a roster review. See Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, pp 52, 57.

67 Ms Bronwyn Graham, Department of Parliamentary Services, *Additional Estimates Hansard*, 8 February 2010, p. 15.

68 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, pp 53–54.

69 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 56.

He was providing advice on a number of things, including whether we had the right number of people for the size of the task. He was not a decision maker; he provided advice to DPS staff, who then took or did not take that advice. Secondly, the review was not a one-man or a one-person review. There were a lot of Bronwyn's people involved in various ways who were providing the security expertise.⁷⁰

2.71 Mr Thompson also commented on this matter:

Can I go to 2008 when this review was proposed to be initiated. I can recall a discussion with Ms Griffith [former Assistant Secretary, Building Services Branch] about what she proposed in terms of the scope of the review. During that discussion, she put on the table that she had proposed to use somebody whom she had worked with and knew from her past working life who had excellent HR skills. She mentioned his name and made it clear to me that he had a personal connection into the department. But—and here is the important 'but' because I recall having this careful questioning with Ms Griffith about it—the overriding issue was to have somebody who understood all about issues such as rostering, call-outs and shift work, and Mr König passed those tests. I do not believe he has a background in security but he does have a background in managing significant workforces and in doing organisational reviews of significant workforces, including all of those attributes which are part and parcel of the PSS operations— shift work, rosters, call-outs. For those reasons, he was offered the role.⁷¹

2.72 In response to questions taken on notice about Mr König's appointment, DPS advised that:

1. In early 2008, with the resumption of normal Parliamentary business (after the late 2007 election), the Content Management Branch (CMB) was experiencing very heavy workloads. The CMB is responsible for Hansard and for the broadcasting of Chamber and Committee proceedings. In particular, the Assistant Secretary CMB, Ms Therese Lynch, wished to support the Directors in the Branch as they developed key performance indicators, contracts for external service providers, training needs and analysis, and induction programs for CMB staff.
2. Ms Lynch advised that she wished to provide support but avoid the high cost of using consultants. Instead she investigated the DPS temporary employment registers, but could not identify an appropriate candidate for the support role (which would have an intermittent workload). It was also not appropriate to second/transfer staff from (say) the DPS HR section because of their existing heavy workloads.
3. Ms Lynch then consulted experienced managers external to DPS who had been involved with similar tasks in the APS. Arising from this consultation, Mr Robert König was identified as having the appropriate

70 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 55.

71 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 56.

skills. Mr Konig had previously been an SES-level officer with extensive public sector experience (especially with Austrade), but had since retired.

4. Mr Konig subsequently registered his name on the DPS temporary employment register. On 1 May 2008, Ms Lynch submitted to the DPS HR Section a Request to engage a non-ongoing employee (irregular/intermittent) form to employ Mr Konig. This was approved by the HR Director on 9 May 2008.
5. On 10 May 2008, Mr Konig accepted an offer of employment under paragraph 22(2) of the *Parliamentary Service Act 1999*. He was employed at the PEL2 level as a non-ongoing employee, on an irregular and intermittent basis.
6. The Assistant Secretary and CMB Directors were very pleased with the work done by Mr Konig and his achievements during his term of engagement.
7. In July 2008, the then Assistant Secretary Building Services Branch (BSB) required HR assistance to facilitate and advise on significant changes to her Branch. Again, she wished to avoid the high cost of consultants, and it was not feasible to appoint or second existing DPS HR staff because of their heavy existing workloads.
8. After consulting with colleagues, including Ms Lynch, the Assistant Secretary BSB approached Mr Konig to attend a discussion with her and two Directors to assess his suitability for the work required in BSB. Mr Konig accepted a second offer of employment, again at the PEL2 level, and again on a non-ongoing irregular and intermittent basis.
9. During his employment with BSB, Mr Konig conducted one-on-one and group discussions with security staff and provided advice on ways to improve and strengthen roles, responsibilities, staff development and performance management arrangements within the Security section. As a result of this work, the management and administrative structure was streamlined. Two Director positions were reduced down to one and the number of supervisory layers between the Director and operational staff was reduced.
10. When his contract with the department expired on 10 August 2009, Mr Konig accepted a new offer of employment to undertake a range of work on an irregular and intermittent basis within both CMB and BSB.
11. The department was aware that Mr Konig was the spouse of the Chief Finance Officer. However, Mr Konig's work within the department had no interaction at all with the CFO Branch, nor did any officer of the CFO Branch have any involvement in the decisions to employ him.
12. From time to time DPS needs to employ people with considerable experience in the public sector, usually to complete tasks within a relatively short time horizon, and/or tasks where in-house staff do not have the time or the skills. In general, DPS prefers to employ these officers as non-ongoing Parliamentary Service staff, rather than the more expensive approach of using consultants. Such employees will

frequently be either retired public servants, or public servants who have left for various reasons, but are again interested in public sector work. The temporary employment register is an important part of this cost-effective system.⁷²

2.73 Mr König was also engaged 'not just to help with security but also to help with other areas in the branch, including our facilities area'.⁷³ As part of Mr König's work for the Facilities section, a review of the Parliamentary Shop and the Health and Recreation Centre (HRC) were undertaken. As a result of this review, a revised structure was implemented on 1 July 2009 with one manager, the Retail Services Manager, for both the Parliamentary Shop and the HRC. The positions of Parliament Shop manager and HRC manager were abolished. DPS indicated that the staff in these former positions declined to apply for the new position.⁷⁴ The position was advertised and the person appointed was the son of the then CFO.⁷⁵

2.74 Ms Graham responded outlining the process that was undertaken to fill the new position:

The process that was undertaken for that position, as with all other positions within the branch, was merit based process. The vacancy was advertised in the Australian Public Service Gazette in accordance with standard procedures. The panel that was comprised to evaluate applicants for that position included two people from the branch and an independent person from outside of the branch. Each of those panel members was a senior member of our staff at the parliamentary executive level—PEL1—or above. Might I add that in a situation such as this one where we are looking at appointing someone who has the same surname as another member of our staff we do ensure that the proper probity processes...⁷⁶

2.75 DPS also provided further details in answer to a question on notice:

9. For the PSL6 Retail Services Manager, the selection committee comprised two senior officers from the Building Services Branch and one senior officer from the Projects Branch of DPS. These officers were aware that one of the candidates was related to the DPS Chief Finance Officer (CFO), but there was no consultation or discussions about the selection process with the CFO. The selection panel noted that short-listed candidates all had strong retail credentials, including the eventual appointee.

72 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2010–11, Department of Parliamentary Services, *Answer to question on notice No. 6*.

73 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 54.

74 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2010–11, Department of Parliamentary Services, *Answer to question on notice No. P7 a & b*.

75 *Budget Estimates Hansard*, 24 May 2010, pp 58–59.

76 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 59.

10. The previous PSL5 Parliament Shop Manager and the previous PSL6 HRC Manager elected not to accept redundancy and requested support in redeployment. DPS supported both employees by funding their enrolment with the Australian Public Service Commission Careers Transition and Support Centre and payment of salaries whilst on short-term employment placements in other Commonwealth agencies. Both employees have permanently transferred from DPS, having obtained employment in other Commonwealth agencies.⁷⁷

2.76 The Parliamentary Service Code of Conduct, paragraph (7) section 13 of the *Parliamentary Service Act 1999*, states that 'a Parliamentary Service employee must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with Parliamentary Service employment'. In relation to compliance with this requirement, Mr Thompson stated:

Perhaps I can help you there. The CFO advised me that her son was going to be an applicant for a job. I took sufficient care to make sure that the selection panel was well and truly at arm's-length from anything to do with the CFO.⁷⁸

2.77 Mr Thompson added:

There is an interesting problem in Canberra, and it happens to virtually every organisation, where you will find people related to other people inside organisations. In a town of this size that is just a reality. We have husbands and wives working here. We have husbands who work for us and wives who work for our licence holders and the like. It is inevitable in a town of this size. All we can do to treat all parties fairly is to ensure that we have a fair process, whether it is a job for a licence for an occupation here or whether it is to do with employing people, to make sure we have one that is well and truly arm's-length from the particular personalities and the particular families.⁷⁹

2.78 As noted above, nepotism was specifically mentioned in responses by staff to the CPSU survey. Mr Waters, CPSU, commented in relation to nepotism, that 'as to the level and consistency of concern being expressed in DPS, from my personal experience I cannot think of another one in the APS or in the public sector'.⁸⁰

Committee comment

2.79 The committee observes from the evidence it has received, that it is difficult to come to a firm judgement as to whether nepotism has or has not occurred in DPS selection processes. However, many employees believe that this has been the case. In

77 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2010–11, Department of Parliamentary Services, *Answer to question on notice No. P7 a & b*.

78 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 60.

79 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 60.

80 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 16.

addition, evidence was received that favouritism and patronage also have played a part in selection processes. This view is supported by evidence from the CPSU.

2.80 The committee views this evidence very seriously: there is no place in recruitment processes for unethical behaviour; only the most suitable and qualified candidate must be appointed; and there must be no perception that selection processes are other than merit based.

Leadership in DPS

2.81 Of particular concern to the committee was the apparent lack of leadership exhibited by the senior executives of DPS in relation to employment issues. As has already been noted, the committee considers that the long-term prevalence of bullying and/or harassment points to poor leadership. This was borne out by the results of the ORIMA survey where staff views of DPS senior executive performance were analysed.

2.82 The ORIMA survey noted that staff held mixed views about the performance of DPS Senior Executive (the then Secretary, the then Deputy Secretary and the then Parliamentary Librarian). Generally, however, DPS's results were less favourable than the average for medium APS agencies. The following table provides the results.

Table 2.4: DPS Senior Executive performance (per cent agree/satisfied)⁸¹

	DPS 2011	DPS 2009	APS 2011
Members of the Executive act in accordance with the Parliamentary Service Values and code of conduct	55%	57%	84%
Focus on achieving results and outcomes	54%	58%	
Communicate effectively with staff	46%	40%	38%
Manage DPS effectively	37%	35%	47%
Exemplify personal drive and integrity	36%	42%	
Demonstrate high quality leadership	35%	39%	51%
Provide clear and consistent guidance	31%	34%	

Source: ORIMA Research, Department of Parliamentary Services, 2011 Staff Survey, 5 March 2012, p. 61.

2.83 The ORIMA survey also provided information on the other tiers of leadership in DPS, namely Branch Assistant Secretaries, Directors and immediate supervisors. These groups were assessed more favourably than DPS Senior Executive. For example, Branch Assistant Secretaries were seen by 63 per cent of respondents as demonstrating personal drive and integrity, and Directors and immediate supervisors

81 There were some slight differences in wording in questions in the surveys, see the ORIMA survey for full explanation.

were seen as acting in accordance with the Parliamentary Service Values and Code of Conduct to a high degree (74 per cent and 77 per cent respectively).⁸²

Other workforce issues

2.84 The following canvasses other workforce issues raised in submissions including workload and hours of work; OH&S concerns and matters relating to Hansard and the Parliamentary Library.

Workload and hours of work

2.85 The CPSU noted that the number of staff in DPS had decreased by nine per cent between 30 June 2008 and 30 June 2010. The CPSU reported that DPS staff are under increasing pressure due to a growing workload.

Two thirds of DPS staff indicated that their workload had increased in the last 12 months. When asked why their workload had increased, a common response across all areas of DPS was that the increased sitting hours and increased level of committee work were significant contributors.⁸³

2.86 The CPSU added:

Overall DPS staff indicated that the increased demand for DPS services to support parliamentary business, without provision of substantive additional resources will lead to a reduction of the availability of qualified, well trained staff, and to a reduction of the quality of services provided by DPS.⁸⁴

2.87 It is of concern that the CPSU reported that of the DPS staff who indicated that they work additional hours, over one third were not compensated for some, if not all of the additional hours that they completed.⁸⁵

2.88 In Hansard, respondents to the CPSU survey commented on the reduced numbers of staff which had increased workload at the same time that the hours of sitting had increased. Respondents also stated that the increased use of outsourcing had increased the work of Hansard officers as these transcripts required further work when returned from often substandard outsourcers. It was also stated that there are fewer editors being employed and more sessional and casual typists/editors adding to the workload.⁸⁶

2.89 The ORIMA survey also pointed to concerns about workload and resourcing levels. Less than half of staff (43 per cent) felt that their work area had adequate

82 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey, 5 March 2012*, p. 68.

83 CPSU, *Submission 16*, p. 4.

84 CPSU, *Submission 16*, p. 4.

85 CPSU, *Submission 16*, p. 5.

86 CPSU, *Submission 16*, p. 5.

resources to meet their client service responsibilities and two in five staff (39 per cent) felt that the resources that they had were not adequate.⁸⁷

OH&S concerns

2.90 The CPSU advised that around one third of DPS staff reported safety concerns in their workplace. These concerns came mainly from staff in Hansard, Broadcasting and Visitor Services. The CPSU added:

Similar safety concerns existed within each DPS branch. Staff in Broadcasting identified concerns regarding fatigue after working long hours, Hansard staff were primarily concerned around repetitive use injury, and Visitor Services concerned with physical safety when the Parliament is not sitting, particularly weekends. Staff working in the Research Branch were the most likely of any DPS area to feel safe or extremely safe in their workplace.⁸⁸

2.91 The CPSU further reported that only two fifths of DPS staff with safety concerns said that they had reported them. The CPSU recommended that an Occupational Health and Safety Review be undertaken to look at:

- ways to decrease the incidence of workplace injury by staff working in Hansard; and
- safety plans for staff working in Visitor Services, particularly on weekends, and that as part of the review, consideration be given to increasing the security presence in APH on weekends.⁸⁹

2.92 The higher rate of injury among Hansard staff was acknowledged by DPS at the May 2011 Budget estimates:

Within Hansard we had an OH&S review done a couple of years ago which identified significant deficiencies in a number of ways, noting that Hansard staff are very desk and keyboard intense in doing their work. Hansard is also one of the areas where we have higher than we would like—higher than we are comfortable with—levels of injury, so there is an issue of safety as well. That is the refurb work. As Alan said, the other furniture that we are buying is new furniture for new accommodation where previously there was nothing. We were involved in working with the chamber departments in establishing the style guide, the intention being that if we had a common approach to furniture it would be cheaper and sensible, but we may go to independent purchases.⁹⁰

87 ORIMA Research, *Department of Parliamentary Services, 2011 Staff Survey, 5 March 2012*, p. 4.

88 CPSU, *Submission 16*, p. 7.

89 CPSU, *Submission 16*, p. 8.

90 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 27.

2.93 At the next estimates hearing, while noting that DPS had sought to address concerns in Hansard, Mr Thompson commented that continued high workloads affected Hansard production and staff:

It would be fair to say that there are two significant workload things hitting both our broadcasting people and our Hansard people. On the one hand there is a very heavy committee workload on the Senate side. On the House of Reps side there have been greatly extended sittings as well. So delivering a good service to both chambers and the committees is proving to be quite a challenge at times. We have been meeting our deadlines for all chamber work but we are not always able to meet the deadlines and targets for committee work.⁹¹

2.94 DPS also indicated that Hansard services have been progressively revised in response to funding constraints, concerns about occupational overuse injuries and implementation of the new Hansard Production System (HPS).⁹² DPS noted that the old system HPS was outdated and DPS expected some improvements in efficiencies for Hansard staff, including that it would be much easier to use.⁹³

2.95 In May 2011, the new Hansard HPS was commissioned. The system includes a data-streaming capability and DPS reported that it is more flexible than the previous system and links directly to other parliamentary applications.⁹⁴ DPS commented that before the new system was fully implemented problems had been experienced with the old system which affected the delivery of committee transcripts. Ms Karen Greening stated:

Since we have implemented a new Hansard Production System we have had a few teething issues which have also impacted on our delivery of committee transcripts.⁹⁵

2.96 The CPSU survey respondents also provided comments on the new HPS:

A new Hansard production system has been introduced. It is not working efficiently.

The new Hansard production system is mouse intensive and slow, which adds to stress in meeting turnaround times for chamber transcripts. Also, the new audio system (DART) is considerably inferior to the previous recording system and it takes longer to work out what people are saying,

91 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 56.

92 Department of Parliamentary Services, *Answer to question on notice No. 6*, dated 19 January 2012, p. 31.

93 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 19 October 2009, p. 32.

94 Department of Parliamentary Services, *Annual Report 2010–11*, p. 16.

95 Ms Karen Greening, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 56.

with the result that it too adds to the stress and pressure of completing quotas for committee turns during the non-sitting periods.

More sitting hours and more committee work. Learning completely new software, along with its 'teething problems', has also increased work pressures.

New system installed within Hansard which has resulted in more work being assigned to our area.⁹⁶

2.97 The committee also received other evidence which supported these comments. For example, one submitter stated that since the creation of DPS there had been a decrease in the number of Hansard editors and the mix of staff had changed with more part-time staff. Editors are required to work longer hours and as a consequence the number of work related injuries has increased. Of concern to the committee was the indication that injuries were suffered but not reported.⁹⁷

Parliamentary Library

2.98 The CPSU reported that staff in the Research Branch identified that their workload had increased because of an increase in research requests, primarily related to an increase in Private Members Bills in the 43rd Parliament. Other workload increases identified by research staff were due to staff shortages, for example, one respondent stated 'when staff leave the branch, they are not being replaced as quickly as required, if the position is filled at all'. Issues included:

Staff shortages, effect of the minority government more private members bills, workforce profile - effect of retirements. Having to take on new areas of responsibility.

Staff reduction in the team, lost one staff member not replaced.

Fewer staff to spread the load.

Loss of staff.

No temporary assistance hired during budget period like has occurred in the past.

People leaving the branch and not being replaced, or being replaced slowly.⁹⁸

2.99 Submissions were also received from Library staff which indicated concerns with staffing levels and staffing mix. One submitter commented that the Research Branch required at least 30 per cent more staff to meet the demands of inquiries and noted that 'the inadequacy of the current staff resource is especially evident during sitting periods when client demand for [Research Branch] is noticeably higher and the number of client requests involving quite short deadlines increases'.⁹⁹

96 CPSU, *Submission 16*, pp 4–5.

97 *Confidential submission*.

98 CPSU, *Submission 16*, p. 5.

99 Mr Peter Hicks, *Submission 9*, p. 5.

2.100 A further matter raised was the mix of staff in the Research Branch. It was argued that the reduction in the number of information specialists/librarians in the Research Branch had reduced the speciality service previously provided. In addition, some higher level positions had been converted into research assistant positions with the result that staff no longer had the same level of expertise and experience.¹⁰⁰

2.101 It was submitted that the introduction of the research assistant classification was a poor decision as there has been a high turnover of staff at this level, there is a lack of a career advancement structure, and the subject areas covered by research assistants are large and it cannot be expected that assistants obtain high level expertise in all areas. It was concluded that 'the introduction of lower levels of staffing represents a major change from, and potential risk to, the previously highly successful approach'.¹⁰¹

Visitor Services

2.102 The CPSU reported that staff working in Visitor Services have identified a reduction in staffing levels, combined with an increase in the number of schools and visitors, as the main reasons for increasing workload pressures on staff.¹⁰² This was supported by other submitters who pointed to the reduction in permanent part-time guides and the increased use of casual guides who were offered little or only *ad hoc* training. Other areas of concern included the increase in the size of school groups that guides are required to take, insufficient numbers of guides to meet members' requests for tours and guided tours not being offered in foreign languages.¹⁰³

2.103 Mr Kenny noted at the 2012 Budget Estimates that the configuration of Visitor Services had changed 'in terms of part-time, full-time and sessional'.¹⁰⁴ Ms Graham provided further information on the change:

Essentially we had too many staff working five days a week and we did not have the flexibility in that arrangement to meet the demands of the ever-increasing school numbers. Historically they have increased by about five per cent every year. In busy periods we had not enough staff, which was often during the week when schools were visiting, and on weekends we had too many staff, a surplus, because of the way the staffing model worked. The change we made was to reduce our regular part-time staff and create a very new pool of sessional staff. They are all Visitor Services officers, equally trained to provide tours. That second workforce, if you like, was

100 Mr Peter Hicks, *Submission 9*, p. 6.

101 Mr Peter Hicks, *Submission 9*, p. 6.

102 CPSU, *Submission 16*, p. 5.

103 *Confidential submissions*.

104 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 31.

created to allow us the flexibility to deal with the seasonal peaks that come with the visiting school program throughout the year.¹⁰⁵

2.104 In relation to the numbers of Visitor Services staff, Ms Graham commented:

As to the numbers, regular part-time staff was 23 guides and we now have 14 of those working five days a week, 4½ hours each day. We have an entirely new pool of staff at the same level, with the same qualifications and skills, who work sessionally. We have 12 of those positions established. The net number was 23 and the new number is 26.¹⁰⁶

2.105 DPS stated that the new roster commenced on 1 February 2012, prior to which extensive consultation had been undertaken including the offer for the Visitor Services officers to develop their own roster. Ms Graham noted that this had occurred and 'one of our visitor service officers developed a new roster and the staff preferred that one' to the one DPS had developed. DPS stated that it accepted requests from staff about their preferred roster arrangements. Ms Graham also stated 'there was a reduction in staff: seven staff took voluntary redundancies'.¹⁰⁷

2.106 DPS provided information on the number of Visitor Services officers (Guides), excluding supervisor, administration and managerial staff as follows:

Table 2.5: Number of Visitor Services officers, 2007–08 to 2011–12

	2007–08	2008–09	2009–10	2010–11	2011–12
Visitor Services officers	32	26	28	26	26 ¹⁰⁸

Source: *Budget Estimates 2012–13, Answer to question on notice No. 46.*

2.107 DPS provided the following information on the number of tours undertaken:

Table 2.6: Number of tours undertaken by Visitor Services officers 2004–05 to 2010–11

	04–05	05–06	06–07	07–08	08–09	09–10	10–11
Visitors	878,553	880,046	889,115	867,220	863,552	866,000	820,783
Public tours	3,340	3,160	5,055	4,981	4,527	2,331	1,911
Participants	Data not available				101,236	78,114	73,196
% on public tours					12%	9%	9%

Source: *Budget Estimates 2012–13, Answer to question on notice No. 44.*

105 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 31.

106 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 31.

107 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 33.

108 This is the actual number at 6 June 2012; all work part-time or sessional. Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 32.

2.108 The average number of people on each tour has increased from 22 in 2008–09 to 38 in 2010–11.¹⁰⁹

2.109 At the October 2012 Supplementary Estimates, Ms Mills indicated that she believed a comprehensive review of the approach taken to visitor services was needed. Ms Mills went on to state:

I think being a public access precinct is a really important function of this building. We are an important part of the network of Canberra cultural institutions in that regard. We also have the opportunity to display the operations of parliament to the community, both in physical and online terms.¹¹⁰

2.110 Ms Mills also indicated that some matters had already been reviewed including signage and the number of Floriade tours had been doubled so that more people could view the gardens. Work is also being undertaken with a number of the other cultural institutions, including the Museum of Australian Democracy, to look at ways to better harmonise exhibitions and other events. In addition, an app will be developed for visitors and, with the availability of public Wi-Fi in the public areas, there is an opportunity to change some of the experience for visitors undertaking self-guided tours. Ms Mills concluded by indicating that further work will be undertaken to provide tours for school visits which are linked more to the school curriculum and age appropriate.¹¹¹

DPS workforce trends

2.111 DPS provided a range of data to the committee on staffing and workforce issues.¹¹² The committee has used this information to identify workforce trends in DPS. In addition, the committee has noted the workforce data provided each year by the Australian Public Service Commissioner in his report on the state of the Australian Public Service (APS). This report provides data and information on changing workforce trends and workforce capability. The major sources of information for the State of the Service Report are two surveys; one of agencies and the other of employees.¹¹³ The parliamentary departments do not take part in the State of the Service surveys.

2.112 The number of staff in DPS has declined from 929 staff in 2007–08 to 844 in 2010–11. One of the major workforce trends in DPS has been the growth in the number of non-ongoing staff (including casuals). Since 2007–08 the number of non-

109 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 47*.

110 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 39.

111 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 39.

112 Department of Parliamentary Services, *Answers to questions on notice*, dated 19 January 2012.

113 Australian Public Service Commission, *State of the Service Report, State of the Service Series 2010–11*, November 2011, p. xiii.

ongoing staff has increased from 76 to 106 in 2010–11 and to 122 in 2011–12. With the overall decline in DPS's workforce, non-ongoing staff as a proportion of total employees has increased from 8.2 per cent to 12.5 per cent. In 2011–12 non-ongoing employees accounted for 14 per cent of total DPS employment.¹¹⁴ Across the APS generally, non-ongoing employees accounted for 7.9 per cent of total employment.¹¹⁵

2.113 DPS suggested that the growth in the number of non-ongoing employees (which includes casuals) is 'largely related to the steady decline in purchasing power of the DPS operational budget since 2004'.¹¹⁶ In addition, the branches which include Security and Visitor Services (Building Services Branch) and broadcasting and Hansard (Content Management Branch) have the highest proportion of non-ongoing employees, 22.7 per cent and 20.1 per cent respectively in 2010–11 and reflect the nature of the services provided.

2.114 The average length of service in DPS has fluctuated since 2007–08 from 7.03 years to 7.64 years in 2010–11. A marked decline in 2009–10 (6.79 years) reflected the structural change in the Building Services Branch where a number of separations occurred. The committee notes that the staff of the two Parliamentary Library Branches (Research Branch and Information Access Branch) have greater average lengths of service than other most other branches in DPS with Building Services Branch having the lowest (3.11 years in 2010–11).¹¹⁷

2.115 Many areas in DPS have undergone restructuring in recent years. This is reflected in the engagement and separation data. DPS provided the following:

Table 2.7: Department of Parliamentary Services – engagements and separations

Year	Engagement		Separation	
	Number	Per cent of ongoing staff	Number	Per cent of ongoing staff
2007–08	131	15.4%	94	11.0%
2008–09	43	5.2%	64	7.8%
2009–10	26	3.4%	100	13.2%
2010–11	34	4.6%	72	9.8%

Source: Department of Parliamentary Services, Answer to question on notice No. 2(d), dated 19 January 2012, p. 12.

114 Department of Parliamentary Services, *Answer to question on notice No. 2(b)*, dated 19 January 2012, p. 7; *Annual Report 2011–12*, p. 87.

115 Australian Public Service Commission, *State of the Service Report, State of the Service Series 2010–11*, November 2011, p. 88.

116 Department of Parliamentary Services, *Answer to question on notice No. 2(b)*, dated 19 January 2012, p. 7.

117 Department of Parliamentary Services, *Answer to question on notice No. 2(a)*, dated 19 January 2012, pp 6–7.

2.116 Changes in DPS activities are reflected in the engagement data. For example, increased project work resulted in a 36.2 per cent engagement rate in the Projects Branch in 2007–08.¹¹⁸

2.117 As has already been noted, a number of branches in DPS have been restructured with Building Services Branch experiencing high separation rates in 2009–10 (21.6%) and to a lesser extent in 2010–11 (10.4%). DPS noted that the roster review of 2008–09 is reflected in the 2009–10 data.¹¹⁹ Other areas of high turnover were the Research Branch in the Library (just over 20 per cent in 2007–08 and 2008–09 and 18.8 per cent in 2010–11) as well as Corporate Services Branch (20.5 per cent in 2007–08, 24 per cent in 2009–10 and 13.5 per cent in 2010–11).¹²⁰

2.118 The following table provides the reasons and numbers of staff separations and includes both ongoing and non-ongoing staff.

Table 2.8: Number and type of separation

	2007–08	2008–09	2009–10	2010–11
Death	1	1	2	
Employment terminated	2	4	1	
End temporary employment	31	33	18	23
End temporary transfer		5		2
Invalidity retirement	1		1	1
Permanent transfer	18	16	33	26
Promotion	6	1		
Resignation	42	33	42	38
Voluntary retirement	30	14	39	9
Involuntary retirement				2
Age retirement	10	7	11	17
Totals	141	114	147	118

Source: Department of Parliamentary Services, Answer to question on notice No. 4, dated 19 January 2012, p. 29.

2.119 The committee notes that the overall separation rate for the APS was 6.5 per cent in 2009–10 and 6.8 per cent in 2010–11.¹²¹

118 Department of Parliamentary Services, *Answer to question on notice Nos 2(d), 6*, dated 19 January 2012, pp 14, 31.

119 Department of Parliamentary Services, *Answer to question on notice No. 2(d)*, dated 19 January 2012, p. 13.

120 Department of Parliamentary Services, *Answer to question on notice No. 2(d)*, dated 19 January 2012, pp 13–14.

121 Australian Public Service Commission, *State of the Service Report, State of the Service Series 2010–11*, November 2011, p. 107.

2.120 As DPS has a high proportion of non-going employees, the number of separations of these employees is a relatively high proportion of total separations (fluctuating between 29 per cent and 12 per cent during the years 2007–08 to 2010–11). Like the APS generally, resignations account for a large proportion of separations (29.7 per cent in 2007–08 and 32.2 per cent in 2010–11) and are the most common separation type. The high proportion of voluntary retirements (up to 26.5 per cent of separations in 2009–10) reflects various restructures undertaken across the department.

2.121 The CPSU commented on staff turnover rates in DPS and noted that the ORIMA survey results indicated that work-life balance is seen as being significantly lower in DPS. Mr Waters, CPSU, commented that the ORIMA survey indicated that 60 per cent of staff were satisfied with their work-life balance while for other medium size APS agencies the satisfaction rate is 72 per cent. The committee also notes that the DPS satisfaction rate in 2009 was higher (69 per cent) than in 2011. Mr Waters stated:

We certainly do get feedback about the HR processes or lack thereof. Part of that comes from pressure on those middle managers, with that being reflected down. This has made the working environment less of a place where people want to work, and that has led to people making choices about moving elsewhere.¹²²

2.122 Mr Vukosa, CPSU delegate, directly attributed the staff turnover to the efficiency dividend and the pressure put on staff to increase output with fewer resources:

Where before these used to be more tolerance of people whose work output was a little lower for a number of reasons than their colleague, these days that tolerance is much lower because of the lesser number of staff to perform those duties. They are asking a lot more of the staff for the same amount of money that they were getting in other agencies, where there was less pressure and less work. The staff here either stay for a long period of time, like me, or stay for a very short period of time. That is probably a true reflection of what has been happening in the last 15 years.¹²³

2.123 The committee also requested information on personal leave taken by staff in DPS.¹²⁴ The average number of days of personal leave in DPS since 2008–09 has been around 13.5 days. This is above the APS where the median absence rate is 11.2 days for medium agencies.¹²⁵ The number of average personal leave days varied across branches with Building Services Branch and Information Access Branch having

122 Mr Alistair Waters, Deputy National President, CPSU, *Committee Hansard*, 2 May 2012, p. 13.

123 Mr Leo Vukosa, CPSU delegate, *Committee Hansard*, 2 May 2012, p. 13.

124 Personal leave includes sick leave, carers leave, leave for unexpected emergency affecting the employee and leave in the event of the death of a member of the immediate family. Department of Parliamentary Services, *Answer to question on notice No. 2(g)*, dated 19 January 2012, p. 27.

125 Australian Public Service Commission, *State of the Service Report, State of the Service Series 2010–11*, November 2011, p. 49.

averages ranging up to 19.15 days and 18.77 days respectively in 2010–11. The Projects Branch and the Executive Office recorded the lowest average number of personal leave days.¹²⁶

2.124 Mr Kenny responded to concerns about the high level of personal leave:

It has been a concern to us for quite some time, as in not just in the last 12 months. The concern comes in basically three forms. The first concern is that the more, let us call it, sick leave that people are taking may be a reflection of workplace stress. The second concern is that the more people take, possibly when it is not absolutely required, puts more stress on the rest of the organisation, so there is a different form of problem. The third one is to make sure in all our analysis that we do not confuse what many people would call a 'one-day sickie' with genuine illness. So if the stats are up because someone has been off for three months because they have had heart surgery or cancer treatment, then obviously we must be very careful not to let that paint the wrong picture.¹²⁷

Committee comments

2.125 While DPS has noted potential causes for high separation rates, the committee remains concerned that it is also possible that staff are leaving as a result of the many problems identified during this inquiry. The committee is also concerned with the high incidence of personal leave and considers that the underlying reasons for this rate should be investigated further.

126 Department of Parliamentary Services, *Answer to question on notice No. 2(g)*, dated 19 January 2012, p. 27.

127 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 38.

Chapter 3

Management of heritage values

Introduction

3.1 This chapter examines issues in relation to heritage management including proposals to develop a conservation management plan. In addition, the committee canvasses issues related to ensuring that the heritage values of Parliament House are maintained including the measures used to inform DPS about the condition of the building and its services, and the adequacy of the levels of maintenance, repair and asset replacement within the building.

Heritage management

3.2 In the committee's interim report, it was noted that DPS had finalised the Parliament House Heritage Management Framework in 2011 which included the establishment of the Heritage Management Advisory Board. Response to the Framework was mixed with the President of the Walter Burley Griffin Society, Professor James Weirick, calling the Framework in many ways 'inadequate, misleading and indeed a dangerous document'.¹ The Walter Burley Griffin Society, the Australian Institute of Architects and the National Trust called for the development of a more rigorous conservation plan for Parliament House.²

3.3 Ms Mills, Secretary, DPS, has indicated to the committee that a conservation management plan (CMP) for Parliament House is required. She stated that there is a need to develop a strengthened framework to provide more confidence in relation to heritage issues and a more robust process for long-term planning. To do this, a conservation management plan, based on the Burra Charter, will be developed. Ms Mills stated that a set of design principles will be developed '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 permanent record of the core design principles around landscape, lighting, the building design, the furniture integrity and so on'.³

3.4 The draft Central Reference Document (CRD) and other material retained by DPS, including the original tender documents, will be used as the basis of the CMP. A small, expert advisory committee is to be established to assist DPS in overseeing the development of the CMP. The expert advisory committee would contain expertise in architecture, cultural heritage, social and political history, landscaping and other areas that are seen as critical. Ms Mills also indicated that consultancy assistance would be

1 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 6.

2 Water Burley Griffin Society, *Submission 22*, p. 3; Australian Institute of Architects, *Submission 14*, p. 2; National Trust of Australia, *Submission 5*, p. 1.

3 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 6.

required and that there are only a small number of companies which specialise in this field in Australia. Ms Mills concluded 'it is really critical that our expert advice or our expert panel help right through the process'.

3.5 The CMP would be approved by the Heritage Advisory Board before final approval by the Presiding Officers. Once this has occurred, the CMP would inform the DPS strategic asset management plan, maintenance planning and bids for funding of the program of works that is required over the next five-, 10- and potentially 20-year time frame.⁴

3.6 In relation to the CRD, Ms Mills stated that it was a very valuable document and it as one of the critical documents in the background material for the conservation management plan. While 'there is also merit in completing it at some point', Ms Mills commented that 'given the amount of work we have and the budget we have, my personal perspective is in the order of necessity that the conservation management plan probably comes first'. This view had been explained to Ms Pamille Berg author of the draft CRD. Ms Mills went on to note that, if in developing the CMF, there are immediate gaps in the knowledge base because the CRD is not complete, 'I would certainly to seek to discuss with Ms Berg how those pieces of work might be done'.⁵

Committee comments

3.7 The committee, in its interim report, noted comments that the development of the Parliament House Heritage Management Framework was less than adequate and that there had been a lack of expert advice in developing the framework and few stakeholders, including the building architects, had been consulted. In addition, the committee notes that there had been a total of 15 drafts of the unfinished Parliament House Heritage Strategy before the Framework was completed. This process commenced in 2006 before being finalised in 2011.

3.8 It appears to the committee that the concerns about the Framework raised in evidence have been borne out by the new Secretary's plans to develop the CMP as a matter of priority. The way in which this will be achieved is through use of high-level expertise and specialised consultancy services. The committee considers that the importance of the CMP cannot be underplayed and endorses the approach outlined by Ms Mills.

3.9 The committee also notes Ms Mills' comments relating to the CRD. It is understandable that the priority be given to development of the CMP, however, the committee continues to support completion of the CRD and encourages DPS progress this project as resources permit.

4 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 6.

5 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, pp 8–9.

Maintenance of the building

3.10 The maintenance of the building was clearly a consideration of the then Joint House Department (JHD) from the first years of use of the new building. Mr Mike Bolton, former secretary of JHD, put the view that to allow assets to deteriorate to any great extent would not be conducive to Parliament House's place as the 'head office' of Australian democracy and the need to undertake extensive remedial work to return the building to standard would be highly disruptive. He noted in his submission that a regime of preventative maintenance had been implemented with a standard of maintaining the building and its contents at a level of 90 per cent of new. JHD also developed a work/replacement program required over the 200 year life of the building. Mr Bolton noted that over the 'first 20 years or so of the building's life would require little in the way of major engineering change. But between years 20–30 after occupation, major plant would require replacement and substantial funding'.⁶

3.11 During the time that Mr Bolton was secretary of JHD, it was estimated that the 200-year life cost of the building would be \$5.083 billion, or \$25.3 per annum. Mr Bolton provided an overview of the life spans of some of the major components of the building, for example, it was estimated that the precast panels would require replacement after 100 years, glazing after 40 years, and skylight seals after 15 years. Services such as the boilers and chillers would need replacement after 35 to 40 years.⁷

3.12 DPS commented that 'effective asset management is a significant component of the responsibilities of DPS, and it is a role we take very seriously'.⁸ Mr David Kenny, then Deputy Secretary, DPS, noted that DPS undertook capital works projects 'many of which are based on the 100-year plan' which, in effect, is an asset replacement activity focussed on sustaining the building and replacing assets over the life of the building as they wear out.⁹

3.13 The DPS capital works program has increased from \$12 million in 2006–07 to around \$60 million in 2009–10, 2010–11 and 2011–12. DPS stated that the increase in capital works had allowed it to 'tackle a backlog of necessary replacement and improvement works, as well as undertaking upgrades to physical security'. For example, DPS indicated that in 2011–12 it was replacing aged kitchens and electrical, heating and cooling systems as well as completing the installation of a new IT network for the building.¹⁰

Asset management

3.14 The overarching policy for asset management by DPS is *Governance Paper No. 33 – Caring for Parliament's Assets*. This establishes operational principles and

6 Mr Mike Bolton, *Submission 12*, pp 2–3.

7 Mr Mike Bolton, *Submission 12*, pp 26–29.

8 Department of Parliamentary Services, *Submission 3*, p. 12.

9 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2007, pp 87–88.

10 Department of Parliamentary Services, *Submission 3*, pp 3, 5.

practices; and investment prioritisation criteria. Following consideration of proposals, a program of work is submitted to the Presiding Officers each financial year. The program will typically cover around 50 projects ranging from minor upgrades to major IT and security works. Once projects are approved by the Strategy and Finance Committee (SFC)¹¹, major projects are managed by the DPS Projects branch in partnership with the custodians of the asset using a project management methodology in accordance with Commonwealth Procurement Guidelines.¹²

3.15 DPS advised that the procedures for developing and managing projects are documented in various papers which include attention to heritage aspects. For example, *Governance paper No. 33 – Caring for Parliament's Assets*, contains the intention of the Australian Parliament to base itself in the new Parliament House for the next 200 years at least and that 'New Parliament House is recognised as a design icon and is part of Australia's heritage. This should not be compromised'.¹³

3.16 DPS noted that these statements have resulted in the following asset management principle:

Protect what we have – we need to maintain the design integrity and heritage values of this building and preserve cultural heritage assets that have unique national historic significance.¹⁴

Condition of assets

3.17 DPS noted that one of the indicators of level and quality of service delivery are the condition of assets.¹⁵ DPS uses four key building quality indicators:

- Design Integrity Index (DII) – a measure of the current condition of Parliament House and the precincts expressed as a percentage of the original built form. In particular, it measures the extent to which change within Parliament House and the precincts impacts upon the original design intent;
- Building Condition Index (BCI) – a measure of the current condition of the building fabric of Parliament House, expressed as a percentage of the original condition (target 90%);
- Engineering Systems Condition Index (ESCI) – a measure of the current operation and condition of the engineering systems in Parliament House against the expected decline of those systems through their life cycles (target 90%); and

11 The SFC consists of the Secretary, Deputy Secretary, Parliamentary Librarian, Chief Finance Officer and Director, Strategy and Communications; see Department of Parliamentary Services, *Annual Report 2010–11*, p. 97.

12 Department of Parliamentary Services, *Submission 3*, p. 13.

13 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4599.

14 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4600.

15 Department of Parliamentary Services, *Submission 3*, p. 17.

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- Landscape Condition Index (LCI) – a measure of the current condition of the landscape surrounding Parliament House, expressed as a percentage of the total possible condition (target 90%).¹⁶

3.18 These indices have been used for some time with the BCI being developed in 1993, the ESCI and LCI in 2000 and the DII in 2001 by the Joint House Department. The targets were originally set by consultants Advance FM and in-house maintenance staff. DPS noted that:

The benchmark of 90% of original condition was considered at the time as appropriate for nationally significant facilities. Since the development of these indices, a number of other prominent Australian facilities (such as the Sydney Opera House and the Victorian Arts Centre) have adopted this methodology.¹⁷

3.19 DPS also indicated how the annual score for each index is calculated:

- BCI – all eight zones of the building are inspected over a 12-month period with the exception of high-profile areas (for example special suites, public areas etc) which are inspected every six months;
- LCI – this score is a result of inspections/assessments of the landscape by in-house gardening staff each October; and
- ESCI – this is based on data and reports collected over the course of the year. The majority of these reports and readings are by external contractors or industry specialists, for example, monthly fire system testing reports. The data is referred to an external consulting engineer for review and provision of a report and score for each element from which the overall score is derived.¹⁸

3.20 DPS indicated that the assessment of the DII was a 'substantial task'. The procedure to calculate the annual DII is to:

- inspect, review and collect data for all changes made at Parliament House over a financial year;
- analyse the data and provide a score for each change, measuring the extent to which key design integrity principles have been integrated into the new work;
- tabulate the individual area scores and tally all scores to achieve a global score that is defined as the DII; and
- make observations regarding trends or anomalies. These observations are used to assist with future decision-making regarding physical change at APH.

16 Department of Parliamentary Services, *Answer to question on notice No F1*, dated 26 April 2012.

17 Department of Parliamentary Services, *Answer to question on notice Nos F2, F3*, dated 26 April 2012.

18 Department of Parliamentary Services, *Answer to question on notice No. F4*, dated 26 April 2012.

3.21 The calculation of the DII score was undertaken by consultants Advance FM between 2000–01 and 2004–05. Since 2005, the measurements have been taken by the DPS DII team. The team is established each year and includes the DPS Heritage and Design Integrity Officer (lead officer), two additional DPS members and an independent expert. For the last two years, Mr Gowrie Waterhouse, Convener—Interdisciplinary Studies, Faculty of Arts and Design, University of Canberra—has been engaged to provide an independent measure of the integration of all new works.

3.22 The DII team inspects all areas of Parliament House. In each space and in each zone, the components of language, symbolism, design order, change and overall impression are examined and given a score from one to five by each team member. Individual scores are then used to determine a team score. This score is then expressed as a percentage of the total possible score.

3.23 DPS went on to comment:

Annual inspections are planned to ensure that all spaces where projects work has been undertaken are physically inspected however, given the enormity of the task, areas such as Senators and Members Suites, DPS staff offices, courtyards and basement spaces are inspected on a randomly selected sample.

Every five years, a full building assessment is conducted, which necessitates access to, and scoring of, all areas. The next full assessment of all eight DII zones is due to take place in 2013–14.¹⁹

3.24 The indices have been reviewed a number of times: the BCI was reviewed in 2005; the ESCI in 2005 and 2009; the LCI in 2001 and 2006; and the DII in 2004–05. All the reviews were undertaken by consultants Advance FM.

3.25 DPS provided an overview of the outcomes of the reviews. The 2005 review of the BCI did not recommend any changes to the methodology of establishing this score. However, it was noted that:

Maintenance costs per m² for 2004–05 were below 1% of Capital Replacement Value (CRV), which is a benchmark used by many building management organisations (for example, Queensland State Government). With a CRV of \$1.8 billion, the 1% benchmark equates to \$18 million pa or \$72.00 per m². The maintenance costs for 2004–05 were \$47.76 per m².²⁰

3.26 The report also noted the level of maintenance funding for 2004–05 would not sustain a BCI of 90 per cent over time and was not keeping pace with the Consumer Price Index. It was also found that there were areas where the building condition was falling. DPS indicated that some of these concerns were addressed with the remainder of the concerns being monitored 'as they have no immediate impact, but may in the

19 Department of Parliamentary Services, *Answer to question on notice No. F4*, dated 26 April 2012.

20 Department of Parliamentary Services, *Answer to question on notice No. F6*, dated 26 April 2012.

longer term'.²¹ Maintenance services activity was reviewed in 2010 by ARUP. DPS stated that 'ARUP noted that maintenance management and staff cared deeply about the custodianship of Australian Parliament House and were fearful that cost-cutting/outsourcing may impair the long-term sustainability of the asset, leading to higher costs in future years'.²²

3.27 The 2004–05 review of the ESCI made no recommendations for changes to the methodology used and found the engineering systems to be in good to very good operational order and maintained at appropriately high levels. The review also noted that engineering systems were ageing and would require greater levels of maintenance to continue performing at high levels. The ESCI review of 2009 highlighted a number of matters in relation to methodology noting that changes had been implemented 'to save the cost of doing plant inspections'. Comments from maintenance trade staff indicated that they did not support the changed methodology. Nine recommendations were made. DPS commented that if adopted, these 'would have resulted in the original ESCI being restored and would have had an implication on maintenance resources'. DPS stated:

None of the recommendations have been implemented to date. No documentary evidence can be found to confirm why the recommended changes were not implemented.²³

3.28 The 2001 review of the LCI resulted in five of the seven observations made in the review being adopted and implemented. The remaining two were not agreed to by Landscape Services. The three recommendations of the 2005 review were implemented.²⁴

3.29 At the committee's hearing on 30 October 2012, Ms Carol Mills, Secretary, DPS, commented that she had no reason to suggest that the assessment process used for the indices was not reasonable. However, Ms Mills indicated that as part of the development of a comprehensive CMP and an asset strategy for the building, 'it would be timely to review that process and give reassurance that the criteria still remain relevant'.²⁵

Asset condition indices

3.30 The following table provides the asset condition indices from 2001–02 to 2011–12.

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- 21 Department of Parliamentary Services, *Answer to question on notice No. F6*, dated 26 April 2012.
 - 22 Department of Parliamentary Services, *Answer to question on notice No. F6*, dated 26 April 2012.
 - 23 Department of Parliamentary Services, *Answer to question on notice No. F6*, dated 26 April 2012.
 - 24 Department of Parliamentary Services, *Answer to question on notice, No. F6* dated 26 April 2012.
 - 25 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 3.

Table 3.1: Asset condition indices

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Design Integrity Index (DII)*	92% <i>90%</i>	90% <i>89-92%</i>	90% <i>89-92%</i>	90.7% <i>90%</i>	91% <i>90%</i>	90.6% <i>90%</i>	90.5% <i>90%</i>	91.8% <i>90%</i>	91.2% <i>90%</i>	90.2% <i>90%</i>	89.8% <i>90%</i>
Building Condition Index (BCI)*	90% <i>90%</i>	90% <i>89-92%</i>	90% <i>89-92%</i>	89% <i>89-92%</i>	89.7% <i>89-92%</i>	89.1% <i>89-92%</i>	89.3% <i>89-92%</i>	89.2% <i>89-92%</i>	88.9% <i>89-92%</i>	88.8% <i>89-92%</i>	88.1% <i>89-92%</i>
Engineering Systems Condition Index (ESCI)*	91% <i>90%</i>	91% <i>89-92%</i>	90% <i>89-92%</i>	90% <i>90%</i>	89% <i>90%</i>	88.7% <i>90%</i>	90% <i>90%</i>	89.1% <i>90%</i>	88.2% <i>90%</i>	87.5% <i>90%</i>	87.7% <i>90%</i>
Landscape Condition Index (LCI)*	91% <i>88%</i>	88% <i>89-92%</i>	88% <i>88-91%</i>	85% <i>88-91%</i>	87% <i>88-91%</i>	89% <i>88-91%</i>	83% <i>88-91%</i>	75% <i>90%</i>	78% <i>90%</i>	79% <i>90%</i>	86% <i>90%</i>

*Target in italics

Source: DPS Annual Reports 2003-04 to 2011-12

3.31 DPS annual reports provide information on the reasons for the scores achieved each reporting period. For example, the decrease in the LCI from 2002–03 was attributed the drought. Changes in the BCI were attributed a number of factors over the years: in 2004–05 to a reduction in maintenance expenditure; in 2009–10 to a reduction in painting and carpeting in general circulation areas; and in 2010–11 repairs and refurbishments were required to a number of areas including the Marble Foyer.

3.32 Changes in the DII were attributed as follows:

- the 2005–06 improvements were due to forecourt work and refurbishment of the Queen's Terrace Café; (Annual Report 2005–06 p. 101)
- the 2006–07 reduction was due to some projects not reaching expected standard, lack detail quality or being inconsistent with the original design intent; (Annual Report 2006–07 p. 123)
- in 2007–08 the DII score reflected well-integrated changes such as upgrading disability access and in the Ministerial Wing; (Annual Report 2007–08 p. 118)
- the 2008–09 score was attributed to well integrated physical changes, building maintenance and presentation that aligns with the design intent while the inactive water features and inadequate presentation of the façade (due to water restrictions) had a negative impact; (Annual Report 2008–09 pp 94–5)
- the 2009–10 score was improved by restoration of the private dining rooms but it was also reported that there was an increase in the quantity of non-standard furniture in use; (Annual Report 2009–10 p. 50) and
- the DII for 2010–11 reflected improved scores in the Chamber departments but negatives arose from the new security measures in the car parks and accommodation solutions. (Annual Report 2010–11 p. 55)

Adequacy of maintenance and asset replacement programs

3.33 The indices provide a measure of how effective DPS is in 'protecting what we have'. However, there is very little information available to allow for a realistic assessment of the adequacy of maintenance practices in Parliament House. For example, all that DPS annual reports provide is an indicator of the amount of maintenance of plant and building fabric achieved by the Maintenance Services section. This section operates and maintains the electricity, heating and cooling and hydraulic services as well as the exterior and interior of the building and Parliament House's landscape. In the 2010–11 Annual Report it is reported that 89 per cent of the planned maintenance was achieved against a target of 85 per cent.²⁶ This indicator is relatively useless in measuring the adequacy of the maintenance regime undertaken by DPS: it does not provide what work is actually covered in this measure; and without information on changes to maintenance programs, and whether planned annual programs are sufficient to maintain the building, no accurate assessment can be made.

26 Department of Parliamentary Services, *Annual Report 2010–11*, p. 57.

3.34 The annual report also includes a price indicator for maintenance. For the 2010–11 financial year, maintenance costs were \$23.4 million. The annual report again does not provide any detail in relation to this figure. In addition, costs under the cleaning contracts are provided but it is unclear whether these are in addition to the \$23.4 million or included in that figure.²⁷ The committee also notes that target for this measure is a 1.25 per cent reduction in costs. This target was met in 2008–09 but not in 2009–10 and 2010–11. Given DPS's continued comments about the ageing of the building, the committee is concerned that a target of a continuing decrease in maintenance costs is not sound for the long-term condition of the building and may, in fact, lead to greater costs in the future.

3.35 DPS uses administered funds to plan, develop and deliver into service a building works program and an artworks conservation and development program. The 2010–11 Annual Report states that:

While the structure of Parliament House was designed and constructed to have a life of some 200 years, after 22 years of operation there are significant reasons why continuing investment in a building works program is required, including:

(a) many components within the building are reaching the end of their economic service life and have worn out (or are very close to wearing out), including electrical, mechanical and plumbing equipment;

(b) new technologies that enable improved services are becoming available, such as more efficient lighting and energy systems, often reducing long-term support costs and/or enabling better environmental performance; and

(c) new investments are required to meet compliance and regulatory requirements such as safety, security and disability access.

The building works program supports the operation of Parliament into the future, while at the same time preserving the design integrity of the architecture, engineering systems, art collections and landscape that make up Parliament House.²⁸

3.36 In 2010–11 the cost of building projects under administered funds was \$19,758,532.²⁹

3.37 The 2010–11 Annual Report also indicates that the BCI score has fallen below the target of 89–92 per cent. While an outline of factors contributing to the drop in the BCI score is provided, the information is less than comprehensive. For example, it is noted that limited maintenance had been carried out in the plants rooms during the year. Again, no detailed information was provided and the committee is left to wonder about the long-term effect of this level of maintenance in the plant rooms and whether this will result in a need for greater remedial work in the future.³⁰ The BCI scores also

27 Department of Parliamentary Services, *Annual Report 2010–11*, p. 59.

28 Department of Parliamentary Services, *Annual Report 2010–11*, p. 76.

29 Department of Parliamentary Services, *Annual Report 2010–11*, p. 78.

30 Department of Parliamentary Services, *Annual Report 2010–11*, p. 53.

show a decline over the four financial years from 2007–08. Again, there is no comprehensive discussion about this trend or actions being taken to improve the BCI score.

3.38 The committee also notes that the 2005 review of the BCI used benchmark data of maintenance costs per m² and commented included that the level of maintenance funding would not sustain a BCI of 90 per cent over time. The committee considers that DPS should reinstate the provision of maintenance expenditure per square metre (last reported in the 2004–05 Annual Report) or explore whether there is another suitable benchmark against which maintenance costs can be compared to and reported on in the annual report.

3.39 As part of maintaining the building, DPS has undertaken capital works programs to replace assets. The DPS Portfolio Budget Statements (PBS) for 2010–11 and 2011–12 reported that DPS had undertaken extensive capital works programs to address the backlog of asset replacement as well as completing security work for which funding had been received in 2010–11. However, the 2010–11 PBS indicated that after 2011–12 'the base funding for necessary capital investment will be about half the long-term need'.³¹ The 2011–12 PBS also provided information on the extent of the ageing of assets in Parliament House and the costs of replacing those assets. It was stated that:

Data extracted from the asset register suggests that DPS needs to make an average of a \$20m to \$30m annual investment to renew departmental assets. Even though the underlying structure of Parliament House is planned to last 200 years or more, \$20m to \$30m is also required to renew ageing building components, including plant and equipment. DPS will need to actively seek additional funding through the NPP process from 2012–13 onwards.³²

3.40 At the 2011–2012 Additional Estimates, DPS indicated that its capital budget had reduced by 20 per cent.³³ As a consequence of the additional efficiency dividend in 2012–13, the departmental capital program would reduce by approximately \$2.4 million in 2012–13, rising to a reduction of approximately \$5.4 million in 2014–15.³⁴

Maintenance issues with the building façade

3.41 A major maintenance issue examined during the inquiry and the October 2012 Supplementary Estimates was the condition of the building façade. The building façade is a significant feature of Parliament House. The committee was told that two

31 Department of Parliamentary Services, *Portfolio Budget Statements 2011–12, Budget Related Paper No. 1.19C*, p. 33.

32 Department of Parliamentary Services, *Portfolio Budget Statements 2011–12, Budget Related Paper No. 1.19C*, p. 33.

33 Mr David Kenny, Deputy Secretary, *Additional Estimates Hansard*, 13 February 2012, p. 28.

34 Senate Finance and Public Administration Legislation Committee, *Additional Estimates 2011–12*, Department of Parliamentary Services, *Answer to question on notice No. 65*.

reviews of the façade had been undertaken. The first was undertaken around 1990 by Dr Alan Spry and identified a number of areas for potential maintenance improvement, particularly regarding water damage and wear and tear on the building.³⁵

3.42 The second review, conducted by Diagnostech in March 2005, pointed to significant issues with the building façade. Ms Mills commented that this review found that there were a number of areas where effective maintenance strategies could improve the length of time which the materials on the external part of the building could be kept in good condition. In addition, Diagnostech reported on significant issues with the Verde Issorie (VI) panels on the exterior niches next to the Chamber glass links and the white marble cladding panels on the Great Veranda and the House of Representatives north and south return walls.

3.43 Diagnostech found that the white marble cladding on the Great Veranda was bowing and the marble on the House of Representatives walls was 'also suspect'. The consultants recommended that immediate public safety provisions should be implemented to mitigate the possibility of collapse of these panels. The consultants also noted a range of other major issues concerning the façade, including fractured panels which it considered were not in danger of collapse, unless subject to an 'external event'.

3.44 In relation to the VI panels, Diagnostech reported that this type of marble was unsuitable for use in the long term in the position in which it is placed and that there was a risk of it breaking up and shards falling from the building. Diagnostech stated:

Immediate public safety provisions should be implemented to mitigate the possibility of collapse of the discoloured failed verde issorie niche panels. There is a 30 to 40 per cent risk that they may fail.³⁶

3.45 The consultant's report also commented on the water leak in the forecourt water feature and noted that this required 'rectification in the short term to preserve the long term structural integrity of the concrete forecourt slab/basement car park roof structure'. At the May 2005 Budget Estimates, DPS was questioned about the water leak and specifically whether the matter had been checked by engineers. DPS indicated that a major review had been undertaken but did not offer any further information. At that estimates it was also noted that Parliament House was built on known geological fault and that there are movements from time to time.³⁷

3.46 Ms Mills provided the committee with information on DPS's response to problems with the marble panels and stated that in 2007 and 2008 consideration was given to undertaking a more detailed analysis of the VI marble. While this was never proceeded with, Ms Mills stated that in 2008 a further examination of the building was

35 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 42.

36 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 43.

37 *Budget Estimates Hansard*, 23 May 2005, pp 43–44.

undertaken. Some significant maintenance work in relation to the water recommendations was completed, and the bowing of the white marble on the Great Veranda rectified including re-pinning of the bowed panels.³⁸ However, no remedial action was taken in relation to the VI panels.³⁹ Small plastic cordons had been placed in some areas to prevent people intruding too closely to the VI marble panels.

3.47 Ms Mills went on to explain how she intended to proceed:

I think there are two immediate tasks. One is to identify that there are physical barriers in place where there is a risk and whether those physical barriers are appropriate—so coming back to the issue about the fencing. The other is that I am advised that documents were prepared some time ago with a view to getting more detailed expert advice on that specific part of the facade. That was not proceeded with. I will now proceed with that work.⁴⁰

3.48 Ms Mills also stated that 'clearly it is a capital expenditure issue and a safety issues and processes in the past have obviously seen other things as more urgent, but I will certainly look into this matter as a priority'.⁴¹

3.49 At the committee's hearing of 30 October 2012, Ms Mills provided further information in relation to the condition of the VI panels. Ms Mills indicated that following the Supplementary Estimates hearings, a visual inspection had been undertaken and DPS had consulted two stone experts. There are no visible signs of destabilisation in the stone but it was noted that there are some areas of risk including leading edges and the soffits. In these areas an unrestrained piece of stone could dislodge but to do so it would have to crack completely through the panel and it was considered that it would take a significant time for this to occur. Following further review by expert Mr David West, DPS is undertaking weekly visual inspections of the façade and Mr West will be engaged to commence a more detailed review and preparation of a framework for a longer-term strategy of remediation.⁴²

3.50 Ms Mills informed that committee that the vertical stone is safe and a visual inspection by DPS has indicated that the overhead marble is also safe but 'weekly

38 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 42; Ms Carol Mills, *Committee Hansard*, 30 October 2012, p. 2.

39 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 42.

40 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 46.

41 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 45.

42 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, pp 2–3.

monitoring is necessary until we can provide a long-term solution' to give the assurance warranted.⁴³

Committee comments

3.51 The preservation of Parliament House for its expected life-span of 200 years, will, in part, depend on adequate and timely maintenance and appropriate asset replacement regimes. Maintenance and timely replacement of assets will help to preserve the significance of the building and retain the integrity of the building fabric as well as its appearance. Appropriate maintenance and asset replacement programs can also extend a building's life but a poor program can lead to costly repairs in the future and diminution of design integrity and heritage values.

3.52 The committee has commented on the lack of clear information from DPS on maintenance issues. In particular, there is a lack of information on the required level of maintenance for a 25 year old building and whether the programs being undertaken by DPS are sufficient to ensure that the building condition is maintained. For example, because of a decrease in funding, annual painting programs have been decreased by 40 per cent.⁴⁴ Worryingly, the target for maintenance costs is a reduction of 1.25 per cent per year. The committee would have considered that as an asset ages, the more maintenance it is likely to require and that any decrease in maintenance activities should be undertaken with caution.

3.53 DPS has shown a lack of caution in relation to one significant maintenance issue identified by the committee. The 2005 report on the condition of the façade of the building identified a major maintenance issue and raised public safety concerns stating that 'immediate public safety provisions should be implemented'. DPS appears to have carried out some remedial work but not all that was recommended in the report. This is matter of grave concern to the committee: there are many people in the building who would daily move into the areas beneath the affected panels. While it is welcome that no incidents or injuries have occurred, the committee considers that this matter must be resolved. The committee welcomes the action that has been undertaken by DPS since the Supplementary Budget Estimates and will follow the progress of remedial action.

3.54 While DPS has stated that it has a 100-year plan of capital works, no detailed information has been provided in annual reports or at estimates to indicate how current asset replacement is fairing against this plan. The committee notes DPS's comments concerning the need for an average of \$20 million to \$30 million annual investment to renew departmental assets in the coming years. This is a significant level of investment. The committee considers that DPS should provide adequate information about the progress of asset replacement plans as any extended periods of unserviceability of essential building assets could have a significant detrimental effect on the functioning of the Parliament.

43 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 3.

44 Department of Parliamentary Services, *Submission 3 Attachment A*, p. 8.

3.55 Finally, the committee notes Ms Mills' comments during Supplementary Estimates that 'one of the pre-eminent tasks in our new structure is to develop a strategic asset management plan'.⁴⁵ This is a welcome response but underscores the lack of leadership and expertise within the former structure of DPS such that a fundamental planning tool now needs to be developed for the building which has been occupied since 1988.

45 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 42.

Chapter 4

Project case studies

Introduction

4.1 In this chapter the committee examines four recent projects undertaken by DPS. The four projects are the:

- House of Representatives Chamber Enhancement project;
- Staff Accommodation project;
- Staff Dining Room project; and
- Car Park Lighting project.

4.2 The committee's discussion of the first two projects focusses on moral rights issues and the remaining two projects raise issues of design integrity and the adequacy of project management.

4.3 The moral rights regime is contained in the *Copyright Act 1968* (Copyright Act) and many individuals who collaborated on the construction of Parliament House, or its contents, hold moral rights, not only the building architect. The following provides an overview of DPS's policies in relation to moral rights.

DPS moral rights and design integrity processes

4.4 The arrangements in relation to moral rights holders were initially established by the Joint House Department (JHD). In March 2003, JHD confirmed in correspondence to the building architect, Mr Romaldo Giurgola, that:

When a project is determined by JHD as potentially having implications under the *Copyright Amendment (Moral Rights) Act 2000*, JHD will provide you with a copy of both the Project Management Plan/Statement of Requirement (as appropriate) and all Final Sketch Plans for your information.

For those projects that have implications under the Act (as determined by JHD), JHD will provide you with written notice as required under Section 195AT (2A) of the Act. This action will be instigated when detailed design documentation is being reviewed. This will enable you to exercise your rights under the Act.¹

4.5 Initially, the DPS *Parliament House Works Manual* provided advice in relation to moral rights consultation processes:

8 When a project is determined by DPS as potentially having implications under the Amending Act, DPS will provide Mr Giurgola with a copy of both the PMP [Project Management Plan]/SOR (as appropriate)

1 Correspondence from Director Works, Joint House Department, to Mr Romaldo Giurgola, dated 24 March 2003.

and all the Final Sketch Plans for his information. During detailed design, DPS will consult in "good faith" with Mr Giurgola.

9 For those projects that have "moral rights" implications (as determined by DPS), DPS will provide Mr Giurgola with written notice as required under Section 195AT(2A) of the Amending Act. This action will be instigated when detailed design documentation is being reviewed. This will enable Mr Giurgola to exercise his rights under the Amending Act. A copy of this notification will be provided to MGT Canberra Architects for their information.

10 Further design may continue during this period, however construction tenders are not to be called until all "moral rights" issues have been satisfactorily resolved.²

4.6 DPS's project management arrangements require the identification of design integrity issues and moral rights considerations. The Business Case development process includes consideration of heritage aspects covering design integrity, constraints and critical decisions.³ Business Cases are considered, and approved by, the Strategy and Finance Committee (SFC).⁴

4.7 DPS Building and Security Projects (BSP) Section use a checklist to 'ensure that significant governance and reporting requirements are met'. DPS noted that this checklist 'includes steps to manage heritage aspects of the work including the engagement with the original building architect during each project when required'. The checklist also requires that, in preparing the Functional Design Brief, the project manager must consult the Heritage Officer and seek Design Integrity input.⁵

4.8 When consultation with the architect (or other moral rights holder) is required, this takes place during the design development stage:

- Design Options Phase—contact with original design agent if moral rights applicable and commence informal consultation (present options); and
- 80% Stage—formalise 'moral rights' notification if applicable, liaise with DPS Design Integrity.⁶

4.9 DPS indicated that the letter to the moral rights holder at the 80 per cent stage includes the statement that:

As part of our obligations under the *Copyright Amendment (Moral Rights) Act 2000* we are informing you of our intention to undertake this work. Under the Act, you may request access to the building in order to make a

2 *Department of Parliamentary Services Works Manual*, paragraphs 8–10.

3 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4600.

4 Strategy and Finance Committee consists of the Secretary, Deputy Secretary, Parliamentary Librarian, Chief Finance Officer, and Director, Strategy and Communication.

5 *Senate Hansard*, 16 August 2011, Question on Notice No, 682, p. 4600.

6 *Senate Hansard*, 16 August 2011, Question on Notice No, 682, Attachment AT, *Building and Security Projects Large Project Check List*.

record (for example, by way of photographs or sketches) and/or consult with DPS, concerning any aspect of the proposed changes that you consider may be prejudicial to your honour or reputation as an author of the building.⁷

4.10 DPS went on to state that this provides additional opportunity for the moral rights holder to comment on specific issues with the design. DPS also stated that should the moral rights holder not agree with the plans, 'we arrange meetings to identify key issues and possible alternative approaches'. DPS also commented that regular meetings with DPS and Mr Giurgola, and informal discussions with GMB Architects, 'are intended to reduce areas of concern' at the design stage.⁸ In its submission to the committee, DPS commented:

There has been periodic consultation with the original architects. This consultation respects the moral rights of the architects, and also seeks their views about design integrity...the consultation process continues and is generally constructive.⁹

4.11 The committee notes that even though there is a legislative requirement for this notification, there is no obligation that any advice of the moral rights holder be followed, as long as processes required under the Act have been fulfilled.¹⁰

House of Representatives Chamber Enhancement Project

4.12 The House of Representatives Chamber Enhancement Project was managed by the Department of Parliamentary Services (DPS) on behalf of the Department of the House of Representatives to address certain occupational health and safety, information technology and functional operation requirements of the Chamber.

4.13 The committee has focussed its examination on the management of this project by DPS, including design integrity considerations, heritage management and DPS's responses to concerns raised by Mr Giurgola.

Background

4.14 The Enhancements in the House of Representatives Chamber project was based on two separate business cases: one for the *House of Representatives Chamber Distinguished Visitors' Gallery*; and a second for *Technology Enhancements in the House of Representatives Chamber*. The project initiation document was approved on 5 January 2009. The following discussion addresses the second of the projects, the technology enhancements in the House of Representatives Chamber.

4.15 The project's Request for Quotation for the design phase was released to market on 12 January 2009, with a due date of 4 February 2009. The Request for

7 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4602.

8 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4602.

9 Department of Parliamentary Services, *Submission 3*, p. 7.

10 Mr Romaldo Giurgola, *Submission 7*, p. 6.

Quotation included the Project Functional Design Brief which stated the project aims as:

- (a) Increase technology functionality to the Speaker and Clerk;
- (b) To improve the ergonomic design and adjustability of the Speaker's chair/table;
- (c) Construct a purpose designed distinguished visitors' gallery that better reflects the design and status of the House of Representatives Chamber; and
- (d) Provide new console tables that are in keeping with the design of the chamber.¹¹

4.16 To achieve the above aims the project involved modifications or upgrade to the Speaker's chair and desk, the main table (Clerk's and Deputy Clerk's table), the addition of a distinguished visitors' gallery and the fabrication of console tables (for drinks).¹²

4.17 The attachments to the Project Functional Design Brief included an extract of Chapter 14 from the draft Central Reference Document (CRD) to provide guidance on the overarching design principles of the original Parliament House Architect in regards to the House of Representatives chamber. The committee notes that the Project Functional Design Brief identified the project as being subject to notification and other actions in accordance with the Copyright Act.¹³

4.18 The successor architectural firm to MGT, Guida Mosley Brown (GMB) Architects, submitted a quotation for the project but was unsuccessful with LFA Pty Ltd the successful tenderer for the project. LFA Pty Ltd was engaged on 2 March 2009 for the provision of design stage services. The design stage of the project was completed on 28 September 2009.¹⁴

4.19 The budget for the completed project was estimated at \$524,500 and subsequently came in under budget at a total cost of \$507,518.¹⁵ The cost of the project elements were as follows:

11 Department of Parliamentary Service, *Answer to question on notice No. B3*, dated 26 April 2012, Project Functional Design Brief, Enhancements in the House of Representatives Chamber (WM-1783), p. 4.

12 Department of Parliamentary Service, *Answer to question on notice No. B3*, dated 26 April 2012, Project Functional Design Brief, Enhancements in the House of Representatives Chamber (WM-1783), p. 9.

13 Department of Parliamentary Service, *Answer to question on notice No. B3*, dated 26 April 2012, Project Functional Design Brief, Enhancements in the House of Representatives Chamber (WM-1783), p. 7.

14 Department of Parliamentary Service, *Answer to question on notice No. B3*, dated 26 April 2012, WM-1738 House of Representatives Chamber Enhancement Project–Design Stage Completion Report, 28 September 2009.

15 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 64*.

Table 4.1: House of Representatives Chamber Enhancement Project costs

Project element	Cost
Speaker's chair	\$12,100.54
Spare Speaker's chair	\$15,700.98
Refurbishment to leather armrests on timberwork	\$1,490.00
Speaker's desk	\$87,421.48
Main table	\$88,845.13
Distinguished Visitors' Gallery	\$297,164.39
IT room behind chamber	\$4,795.50

Source: *Budget Estimates 2012–13, Department of Parliamentary Services, Answer to question on notice No. 64.*

Heritage management and design integrity

4.20 Documents concerning the management of this project were made available to the committee by DPS. The committee's examination of the documents raised a number of concerns about the design integrity and heritage management aspects of the project including:

- the adequacy of the documentation for guidance on design principles provided as part of the Project Function Design Brief;
- the consultation process with the building architect; and
- the level of engagement of heritage management and design integrity sections of DPS on the project.

Request for quotation documentation

4.21 As noted above, to provide guidance on the overarching design principles relevant to the project, the Project Functional Design Brief included Chapter 14 of the CRD entitled 'Architects intent in the design of the House of Representatives Chamber' as an attachment. The committee notes that references to the CRD at paragraphs 14 and 15 of the Project Functional Design Brief do not indicate that it is a draft document only. The Project Functional Design Brief further states that the CRD and the *Design Integrity and Management of Change Guidelines* (1995) should be consulted with reference to any change likely to impact on the building's design integrity.¹⁶

4.22 Ms Pamille Berg, a member of the Parliament House design team and author of the draft CRD, advised DPS in an email that the chamber sections of the document were incomplete. She expressed her concern at the provision of this extracted chapter of the CRD as part of the Project Functional Design Brief:

16 Department of Parliamentary Service, *Answer to question on notice No. B3*, dated 26 April 2012, Project Functional Design Brief, Enhancements in the House of Representatives Chamber (WM-1783), p. 7.

...there is no material in that existing draft chapter covering the design intent of the Speaker's Chair, the Central Table, and many other key aspects of the Chamber's design. Therefore it is not sufficient for DPS to provide the draft CRD to a Design Consultant as constituting the design intent briefing document relating to proposed changes to the House of Representatives Chamber.¹⁷

4.23 A submitter also put the view that the Project Functional Design Brief was misleading in regard to the design requirements for the Speaker's chair.¹⁸ The project's aims and objectives were listed at paragraph 1(b) as 'To improve the ergonomic design and adjustability of the Speaker's chair for multiple users.' The brief then goes on to state at paragraphs 4(g), (h) and (i) that the design outcomes will include:

(g) The removal, and transport to suitable storage space, of the existing speaker's chair backrest, seat base and hydraulic mechanism;

(h) The construction of new infill flooring under the existing Speaker's chair;

(i) The procurement, possible modification and installation of a proprietary Speaker's chair to suit ergonomic requirements, and to meet Heritage considerations;...¹⁹

Consultation with the Parliament House architect

4.24 As the committee noted in its interim report, an important element of heritage management in Parliament House is the maintenance of design integrity and the relationship with the original architect of Parliament House, Mr Giurgola, as the moral rights holder under the Copyright Act.²⁰ During the course of the project, DPS consulted with Mr Giurgola, including through formal moral rights notification, and other members of the original design team, Mr Harold Guida and Ms Pamille Berg. The department also consulted the original craftsmen of the Speaker's chair, Mr David Upfill-Brown, and the Clerk's table, Mr Bernie Koker.

4.25 The formal 'moral rights notice' was sent to Mr Giurgola on 4 September 2009, at the '80% documentation' stage. However, prior to this date, a number of communications took place between DPS and Mr Giurgola.

4.26 Mr Giurgola first became aware of the project not through any notification or contact from DPS but rather from GMB Architects which consulted him on their brief for the tender. Mr Giurgola agreed to provide design guidance during the early design

17 Email from Ms Pamille Berg to Heritage Management Officer, dated 24 July 2009.

18 *Confidential submission.*

19 Department of Parliamentary Service, *Answer to question on notice No. B3*, dated 26 April 2012, Project Functional Design Brief, Enhancements in the House of Representatives Chamber (WM-1783), p. 5.

20 Senate Finance and Public Administration Legislation Committee, *The performance of the Department of Parliamentary Services – Interim report*, June 2012, p. 43.

stages and during documentation of the scope of work.²¹ However, as noted earlier, GMB were unsuccessful in their tender for the project.

4.27 Mr Giurgola subsequently wrote in detail to DPS (letter received 21 April 2009). Mr Giurgola noted that DPS referred to him alteration/addition projects 'which it deems to be of a sensitive nature' to the maintenance of design intent for formal evaluation and comment pursuant to the Act. However, he commented:

Although I have been waiting for many weeks, no contact has been made with me to date by your Department with respect to the supposed 'enhancement' project in the House of Representatives Chamber.

4.28 Mr Giurgola went on to outline his concerns with each of the scopes of work to potentially damage and lessen the integrity of the Chamber's complex and integrated design. He noted that he was 'particularly shocked' at the proposal to remove the existing Speaker's chair components and to replace them with a 'proprietary Speaker's chair'. Mr Giurgola noted his close collaboration with timber craftsman, Mr David Upfill-Brown, on the design, detailing, documentation and hand fabrication of the Speaker's chair and Mr Upfill-Brown's formal commission within the Parliament House Art/Craft Program. His view of the proposal to engage someone to detail the removal of the chair's backrest, seat base and associated mechanisms from the chair and replace it with a proprietary chair was that:

...by its very nature appears to violate both my moral rights as the Chair's designer and Mr Upfill-Brown's intellectual property under his Art Program commission contract.

4.29 Mr Giurgola concluded:

...I hope that this letter notifying you of my extreme concern with the project now under proposal allows you to reconsider this matter before it becomes one of considerable difficulty on all sides.²²

4.30 Mr Alan Thompson, then Secretary, DPS, responded to Mr Giurgola on 13 May 2009. Mr Thompson stated that the proposal to 'alter' the chair had arisen because of occupational health and safety (OHS) concerns and that it was considered an interim solution. Further, he endorsed the department's approach to the project as properly recognising design integrity considerations, which included:

- (a) inviting the original architects of the building to tender on the design;
- (b) including our Heritage Management officer in the design review; and
- (c) investigating an option to retain and modify the existing chair.

Once a preferred direction is established and preliminary sketch design drawings produced for all the work that is being considered, we will

21 Letter from Mr Romaldo Giurgola to Mr Alan Thompson, Department of Parliamentary Services, received 21 April 2009.

22 Letter from Mr Romaldo Giurgola to Mr Alan Thompson, Department of Parliamentary Services, received 21 April 2009.

provide those to you and invite your comments, as we will do where relevant with David Upfill-Brown.²³

4.31 The DPS files examined by the committee included a copy of the draft of Mr Thompson's letter of 13 May 2009 prepared by the project officer. The draft included additional items of formal engagement of DPS Heritage Management in the project. The following measures included in the draft letter were removed from the final version listed above:

- including our Heritage Management officer on the Design Stage Tender evaluation panel;
- regular meetings/consultation between our architect and the Department's Heritage Management officer; and
- a rigorous design review process.²⁴

4.32 Documents on the DPS files indicate that there were concerns with the project and the wording of the final letter to Mr Giurgola within the Heritage Management area and included:

- the inference that Heritage Management supported the direction of the project and that processes gave due consideration to design integrity concerns and contractual arrangements to alleviate Mr Giurgola's concerns;
- the Heritage Management Officer had provided clear advice that Heritage Management did not support the removal of the chair's back and seat and recommended investigating options of refurbishing the existing chair;
- that the Heritage Management Officer was not given the opportunity to provide input into the letter;
- legal advice should have been sought in relation to contractual arrangements with Mr Upfill-Brown;
- the OHS assessment commissioned by DPS did not recommend the removal of the Speaker's chair seat and back; and
- the reference to an 'interim solution' to address the OHS concerns with the Speaker's chair was not factual, and had not formed any part of the project brief, documents or correspondence.²⁵

4.33 Indeed, the copy of the Secretary's signed letter to Mr Giurgola on the DPS file has point (b) hand highlighted and an annotation from the former Director, Strategic Planning and Policy, which states:

23 Letter from Mr Alan Thompson to Mr Romaldo Giurgola, dated 13 May 2009.

24 Draft letter from Mr Alan Thompson to Mr Romaldo Giurgola, dated 30 April 2009.

25 'Response to Romaldo Giurgola from DPS Sent 13 May 2009', undated.

Terry [Former Assistant Secretary, Infrastructure Services Branch]

We are extremely upset by this lie that has been included in the letter to the Architect. We are considering what we can do about it.

Heather [Former Director, Strategic Planning and Policy]

4.34 The committee further notes that the final version of the letter sent to Mr Giurgola is dated two days after the project's 'Design Options Presentation' meeting with all stakeholders held on 11 May 2009. DPS Heritage Management was an apology for this meeting, however, the minutes indicate that the option to retain and modify the existing chair was considered and rejected in favour of a replacement chair.²⁶ As a decision had been made to not retain the existing chair at the time Mr Thompson wrote to Mr Giurgola, the committee considers that Mr Thompson's letter should have been clearer in this regard.

4.35 DPS provided an opportunity for Mr Giurgola, Ms Berg and Mr Guida to meet with LFA Architects for a presentation on the design considerations leading to the projects preferred option designs. Prior to the meeting, Ms Berg had requested the specific documents that LFA had sourced to assist them to 'give careful consideration to the design intent and heritage values of the spaces' as stated in the CRD Compliance Review.

4.36 The meeting took place on 19 June 2009 and was based on '50% design documentation'. Also present at this meeting was the project manager, a member of the Project Board, the Director Building and Security Projects and DPS Heritage Management staff.

4.37 Following this meeting, 13 items of concern were identified by Mr Giurgola covering the distinguished visitors' gallery, the Clerk's table, and the Speaker's desk and chair. On 20 July 2009, the Project Board considered these items and feedback from the project architect as to whether or not to amend the project scope. The Project Board agreed to modify some elements.

4.38 Ms Berg, in an email to DPS on 24 July 2009, reiterated the concerns with project in relation to the 'wholeness' and preciousness of the chair as an inseparable element of the Chamber and the importance of not cutting holes in, or modifying, the timber of the desk or the bronze and timber of the table.²⁷

4.39 The modifications agreed to on 20 July 2009 were outlined in a letter dated 4 September 2009 from Director, Building and Security Projects, to Mr Giurgola. It was stated that the project scope items had been modified to 'better reflect your concerns'. The changes included:

- (c) the production of a new ergonomic Speaker's chair that will match the size, proportion and general aesthetic of the existing;

26 Minutes of WM1738 Enhancements in the House of Representatives Chamber, Design Options Presentation, 11 May 2009, p. 2.

27 Email from Ms Pamille Berg to Department of Parliamentary Services, dated 24 July 2009.

- (d) the Speaker's chair desk is not to include the 4 retractable screens as previously documented. Instead we are providing a small brass rail that will neatly accommodate any type/brand or removable screens without the use of proprietary screen stands; and
- (e) the Main table is not to have hinged LCD screen box housings fixed to it, as previously documented. Instead it is intended to only provide IT infrastructure to the lower middle pigeon hole at both the Clerk and Deputy Clerk locations. Proprietary LCD screens with stands can then be provided when the House is sitting.²⁸

4.40 This letter also attached the formal moral rights notification and 80 per cent design documents, with an invitation to visit the site prior to the alterations taking place, as required under the Copyright Act. Mr Giurgola was invited to respond within three weeks of receipt of the letter (around 26 or 27 September 2009).

4.41 The Design Stage Completion Report for the project was completed on 28 September 2009 (before the receipt of Mr Giurgola's response) by the project manager, recommending that the Project Executive approve the design stage completion and ongoing works for construction stage. Two of the three members of the Project Executive approved the recommendations for design stage completion by the following day.²⁹

4.42 The Design Stage Completion Report commented, in relation to Heritage Management, that:

Considering the modifications that have been made to the project scope items as a consequence of the moral rights consultation, and the ongoing formal and informal communications with Heritage Management, it is believed that the main concerns of the Parliament House architect have been incorporated in a considered manner where possible.³⁰

4.43 The report also noted that:

The main lesson learnt for this stage of the project was in managing and resolving all heritage issues. This involved substantial modifications to the agreed project scope, and so it resulted in small cost and time variations. In a project of similar sensitivity it would be worthwhile building such potential/likely issues into the design stage program.³¹

4.44 The following day, the project manager responded to an email from Ms Berg advising that Mr Giurgola had been ill and was intending to submit comments in

28 Letter from Director, Building and Security Projects, DPS, to Mr Romaldo Giurgola, dated 4 September 2009.

29 WM-1738 House of Representatives Chamber Enhancement Project–Design Stage Completion Report, 28 September 2009.

30 WM-1738 House of Representatives Chamber Enhancement Project–Design Stage Completion Report, 28 September 2009, p. 2.

31 WM-1738 House of Representatives Chamber Enhancement Project–Design Stage Completion Report, 28 September 2009, p. 4.

response to the moral rights notification and 80 per cent design documents. The project manager advised Ms Berg that:

We are very happy to receive feedback from Mr Giurgola, but so far we have not received a response from him...

As time is starting to run short, it would be good if we had the response within the next week or so.³²

4.45 The committee considers that, given that the design stage completion was essentially concluded, or close to concluding, and the project manager was already seeking design stage completion approval it appears disingenuous for the project manager to suggest to Ms Berg that the department was still happy to receive Mr Giurgola's feedback after the due date.

4.46 Mr Giurgola responded on 7 October 2009 acknowledging that there were improvements in some areas following the earlier consultation. However, Mr Giurgola remained of the view that 'the proposed modifications and revised drawings do not yet fully maintain the essential design intent of the Chair, Desk, Table and new Distinguished Visitors' Gallery'.³³ This correspondence, totalling eight pages, included detailed comments on aspects of the proposed design which Mr Giurgola considered still needed to be addressed to achieve the maintenance of the intent of the original design in regard to the Speaker's chair and desk and the distinguished visitors' gallery (no comments were made on the proposed drawings for the Main table modifications).

4.47 There was repeated criticism throughout Mr Giurgola's letter that the contracted architect was not required, as part of the project scope of services, to provide a written report at each submission stage explaining the logic and design considerations to enable all stakeholders to understand the full implications of the changes being proposed.³⁴

4.48 On 8 October 2009, the project manager advised that the construction contractor evaluation was complete and sought approval to engage the contractor noting that any delay in doing so 'is likely to impact on being able to undertake construction works over the summer recess'. Mr Kenny, then Deputy Secretary, DPS, commented that:

We should proceed—the "moral rights" responsibilities do not include allowing any points raised in the G/B letter to "block" the project.³⁵

4.49 DPS responded to Mr Giurgola's letter of 7 October on 15 October 2009. The response was brief and the Secretary advised Mr Giurgola that:

32 Email from Project Manager to Ms Pamille Berg, 29 September 2009.

33 Letter from Mr Romaldo Giurgola to Mr Alan Thompson, Secretary, DPS, dated 7 October 2009.

34 Letter from Mr Romaldo Giurgola to Mr Alan Thompson, Secretary, DPS, dated 7 October 2009.

35 Email from Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, to the Project Manager, dated 8 October 2009.

I note your comments, including your acknowledgement that amendments have been made as a result of the earlier consultation with you. Your additional comments will be considered carefully by the project board as it finalises its work on the project.³⁶

4.50 The committee has also viewed drafts of the letter to Mr Giurgola and emails concerning the drafts. The intent was to keep the response brief. However, it appears to the committee that the discussion in the emails points to an unhelpful attitude. For example, changing the word 'improvements' to 'amendments'. In addition, the project manager commented that:

...if we are going to the effort of taking the free advice (ie the content of the letter) and acting on it if appropriate and easily achievable, then I think we should acknowledge that to help make them feel that their comments are being taken seriously.³⁷

4.51 Although the design stage of the project was essentially complete by the time DPS received Mr Giurgola's comments of 7 October, a series of emails indicates that the project architect was provided with Mr Giurgola's comments to advise 'on whether any issues raised in the letter are considered to be sensible and practicable to incorporate into the project scope'.³⁸

Engagement with other moral rights holders

4.52 DPS advised the craftsperson of the Speaker's chair, Mr David Uphill-Brown, by email on 18 May 2009 of the proposed modifications under the project including removing the existing seat base, seat back and seat mechanism, and replacing them with a purpose made proprietary executive chair and sought his concurrence. Mr Uphill-Brown confirmed his agreement with the modifications via a brief email on 20 May 2009.³⁹

4.53 Evidence to the committee suggested that the information provided by DPS to Mr Uphill-Brown was insufficient and misleading and not a true moral rights consultation. In particular, there was concern with the following advice:

A number of users of the Speaker's Chair have made complaints that their periods of use in the chair has created/inflamed/exacerbated back pain. As such we have had an independent OHS assessment carried out on the chair, which has raised a number of ergonomic issues.⁴⁰

4.54 It was suggested to the committee that the above statement may have implied some responsibility on Mr Uphill-Brown for any injury incurred as a result of the

36 Letter from Mr Alan Thompson, Secretary, Department of Parliamentary Services to Mr Romaldo Giurgola, dated 15 October 2009.

37 Email from Project Manager to the Project Executive, dated 13 October 2009.

38 Email from Project Manager to the Project Executive, dated 24 October 2009.

39 Email from Project Manager to Mr David Uphill-Brown, dated 18 May 2009.

40 Email from Project Manager to Mr David Uphill-Brown, dated 18 May 2009.

ergonomic issues identified and this may have influenced his initial concurrence with the proposed modifications.⁴¹

4.55 By the end of May 2009, DPS established that it required legal advice in relation to the 1988 contract with Mr Upfill-Brown and the Parliament House Construction Authority (PHCA) and whether his email was sufficient waiver of the 'non-destruction or alteration' right contained in the contract. Initially, advice was sought from the Parliamentary Library. This was provided on 16 June 2009 and commented that further advice should be sought.

4.56 DPS subsequently sought advice from the office of the Australian Government Solicitor. This was received on 22 September 2009 and in summary stated that:

- the 'non-destruction or alteration' clause continues to bind the Commonwealth;
- the rights of the PHCA are vested in the Commonwealth, and in this case it would not be inappropriate for the DPS to represent the Commonwealth; and
- the email confirmation from the craftsperson was sufficient evidence that he had acquiesced to the forbearance of his rights under the agreement.

4.57 The advice also went on to comment on the effect of the modifications on the moral rights of Mr Giurgola and possible joint ownership of the work.⁴²

4.58 On 6 October 2009, DPS again contacted Mr David Upfill-Brown by email to update him of the changes to the project since the last correspondence.⁴³ In reply, Mr Upfill-Brown advised DPS, in a letter dated 19 October 2009, that he now concurred with Mr Giurgola's concerns pertaining to the Speaker's chair expressed in his letter of 7 October 2009, and advised that his earlier email was 'irresponsible (the importance of these changes being ill considered at a distance)'. He asserted that, if the proposed modifications were to proceed, 'the means to achieve them should be through consultation between your team and the original designer – Mr Giurgola'. Although not interested, he also maintained that as the original craftsperson and in accordance with his contract with the PHCA, he should be offered this work in the first instance. However, he did not seek to enforce any provision of the PHCA contract.⁴⁴ The committee understands that the advice from Mr Upfill-Brown that he deferred his involvement to Mr Giurgola was not subsequently conveyed to Mr Giurgola.⁴⁵

4.59 Further legal advice from the Australian Government Solicitor as to whether undertaking the upgrade work could contravene the PHCA contract in light of the

41 *Confidential submission.*

42 Letter from Australian Government Solicitor, dated 22 September 2009.

43 Email from Project Manager to Mr David Upfill-Brown, dated 6 October 2009.

44 Letter from Mr David Upfill-Brown, dated 19 October 2009.

45 *Confidential submission.*

second letter was received by DPS on 21 October 2009. This advice indicated that it would not.⁴⁶ DPS responded to Mr Uphill-Brown on 28 October 2009 and stated 'please be advised that DPS has consulted with Mr Giurgola on the proposed alterations and made some modifications to the project scope based on this consultation'.⁴⁷

4.60 On 4 June 2009 DPS also sought the concurrence of the furniture maker of the Clerk's table, Mr Bernie Koker, in relation to the proposed modifications to the table.⁴⁸ In response, Mr Koker queried one aspect of the modifications and provided some advice in relation to others. His subsequent email indicated he was satisfied with the reply he had received from the project manager in response to the matters raised.

Involvement of DPS heritage management

4.61 DPS completed Customer Request Strategic/Initial Assessments for the two House of Representatives business cases which formed the basis of the Enhancements in the House of Representatives Chamber project. These assessments are intended to identify the key risks and constraints regarding requested projects. Among a range of factors considered in the assessments is heritage management and the impact that the request will have on the design integrity of the infrastructure concerned.

4.62 The copy of the Customer Request Initial Assessment for the technology enhancements project provided by DPS indicates that it was completed on 12 March 2008 and considered heritage management concerns. It indicated that the request would impact on heritage management and that DPS Heritage Management had been consulted. It further noted that:

The House of Representatives Chamber is one of the focal points of the entire design of Parliament House. It has been identified by the Australian Heritage Council as having both National and Commonwealth Heritage Values. Acting to their brief, the original architects considered every detail within the design of the Chamber, (including the Senate Chamber) *"collectively establishing strongly related spatial and structural elements at the building's centre and at the heart of the two most important 'rooms' of the Parliament."*

The Speaker's Chair is the centre piece of the Chamber, integral within the design and is a significant artwork in its own right. Any proposal to alter the Chair or the Clerk's Table must be conducted with sympathy to the design language and must not impact on the visual aesthesis of the Chamber or its heritage significance.⁴⁹

4.63 The committee notes that the above assessment only addresses a 'proposal to alter the Chair' and does not consider the replacement of the chair. This assessment

46 Email from Australian Government Solicitor, dated 21 October 2009.

47 Letter from Project Manager to Mr David Uphill-Brown dated 28 October 2009.

48 Email from Project Manager to Mr Bernie Koker, dated 4 June 2009.

49 Customer Request Initial Assessment, House of Representatives Distinguished Visitors' Gallery, CR-08-077, 12 March 2008, p. 2 (emphasis in original).

recommended that this initiative progress to a business case for executive consideration.

4.64 Of concern to the committee was evidence that suggested this document had been subsequently altered with the above information removed.⁵⁰

4.65 A meeting on 16 July 2008, facilitated by the Director of DPS Building and Security Projects, provided an opportunity for key stakeholders to provide input to the design brief. The committee understands that attendees at this meeting included DPS Heritage Management and Design Integrity. At this point, the requirements for the Speaker's chair was summarised as:

Modify the existing Speaker's Chair to provide more facilities at the Chair, more room, and improved comfort.⁵¹

4.66 Following this meeting, the Assistant Director, OH&S and Injury Management, DPS, provided details of his assessment and a number of solutions to address the OH&S issues identified through modification of the existing chair.⁵²

4.67 At a meeting of stakeholders held on 17 October 2008, the option of a replacement proprietary chair to address the OH&S issues of the Speaker's chair was considered. There was general consensus at this meeting that the project should proceed in this direction. In a minute to the Project Assessment Committee dated 23 October 2008 it was noted that the meeting had decided 'to replace the chair with a suitable proprietary product that could fit neatly within the existing surrounding detailed joinery.'⁵³

4.68 On 27 October 2008, the Project Assessment Committee endorsed revised design stage costs which included the acquisition of a chair, with a condition of heritage management and procurement considerations. A revised business case was sent to the Project Assessment Committee for out-of-session approval. The committee received evidence from a submitter who alleged that a new business case was prepared on 11 November 2008, but was dated 27 August 2008, detailing the replacement of the existing Speaker's chair. The submitter further alleged that the new business case was not sent to stakeholders including heritage management and design integrity officers.⁵⁴

4.69 The business case for the project was completed on 5 December 2008. Documentation available to the committee indicates that the Project Management Team comprised a Project Board, project manager, Project Assurance and Project Support. The committee understands that the Project Assurance group included the Heritage Management Officer as a member.

50 *Confidential Submission.*

51 Email from Director of Building and Security Projects, DPS, dated 16 July 2008.

52 *Confidential Submission.*

53 Minute, Project Manager to Project Assessment Committee, dated 23 October 2008.

54 *Confidential Submission.*

4.70 Documents prepared by DPS list the formal engagement of DPS Heritage Management in the project. Heritage Management was included in the tender evaluation meetings of the design consultant (6, 9 and 12 February 2009); six of the seven meetings on the project from 13 March 2009 until 14 May 2009; the 50 per cent and 80 per cent design review meetings; and the moral rights consultations meeting with Mr Giurgola.⁵⁵ The Design Stage Completion Report noted that there had been ongoing formal and informal communications with Heritage Management.

4.71 It appears from the documents examined by the committee that Heritage Management had ongoing concerns with the project and the response received to matters raised by Heritage Management. Despite membership of the Project Assurance group and supposed involvement in the tender evaluation,⁵⁶ the committee is aware that members of Heritage Management asserted as late as 24 March 2009 that some officers were unaware that the scope of the project included the removal the Speaker's chair and replacement with a proprietary chair.⁵⁷

4.72 On 9 April 2009, the Heritage Management Officer emailed the project manager, indicating concerns with the Project Functional Design Brief items concerning the removal of the Speaker's chair and the modification of the Clerk's table. The Heritage Management Officer outlined his concerns with the direction as follows:

- does not adequately address the fact that Speaker's Chair and the Clerks' Table form part of the Parliament House Art Collection and are of very high heritage value;
- does not meet DPS's obligations to 'care for Parliament House';
- does not allow the engaged architect to investigate options to retain the existing Chair, while improving ergonomics, which by its nature excludes and pre-empts possible ergonomic solutions to the Chair and IT solutions for the Clerks' Table;
- will most likely be unacceptable to the original architects or artist and manufacturer (either modifications to the Chair or the Clerks' Table); and
- will likely have political consequences.

4.73 Heritage Management also questioned the minutes of a design meeting as not reflecting the discussion in regard to heritage management concerns and that Heritage Management was not invited to important meetings. This was outlined in an email on 14 April 2009 to the then Director, Strategic Planning and Policy:

Robyn outlined important heritage considerations raised at this meeting that were not captured and sent to [Project Manager] as requested (attached).

55 WM-1738 House of Representatives Chamber Enhancement Project–Design Stage Completion Report, 28 September 2009; Minute, Formal Engagement of Heritage Management, dated 14 May 2009.

56 Minute, Formal Engagement of Heritage Management, dated 14 May 2009.

57 Email from Project Manager to Heritage Management Officer, dated 24 March 2009.

The minutes have since been amended and redistributed without including these comments.

This action is both inaccurate and dismissive. It appears the project manager does not wish to minute what was actually discussed in the meeting or to alert the stakeholders to these important points.

[Project Manager] has claimed that the meeting was to discuss the Speakers table (as opposed to the Chair) but has included comment on the Chair made by... It appears only senior officers comments are captured.

If Heritage Management is invited to a meeting as a stakeholder it is appropriate that heritage concerns and risks are raised to bring to the attention of the group. Given there has been critical design decision with this project made at meetings we have not been invited to, and without informing us later, I am wondering at what forum BSP feel it is appropriate for us to raise these concerns.⁵⁸

4.74 The committee was also informed that the Project Assurance group did not have an opportunity to review the Design Options Study proposals before the presentation to the Project Board.⁵⁹ The design option presentation meeting was held on 11 May 2009. The committee notes that the option to retain and modify the Speaker's Chair was put forward as an option at this meeting. The Heritage Management Officer raised concerns with the project manager prior to the meeting that the Quality Assurance team for the project had not had an opportunity to review or comment on the design proposals for this meeting.⁶⁰

4.75 The committee understands that the design integrity section within DPS did not receive photographic records of the original Speaker's chair prior to its dismantling which is a requirement of best practice heritage management.⁶¹

Heritage assessment

4.76 Ms Kylie Scroope, DPS, stated that the Chamber Table is listed in the Art Collection. She also added that the timber elements that sit around the Speaker's chair are listed as part of the Art Collection while the 'actual seat component' of the chair is not.⁶²

4.77 A copy of the original contract was in the DPS files examined by the committee. In this contract, it is stated that:

- the Craftsperson (Mr Upfill-Brown) shall develop the design for and fabricate the Speaker's Chair;

58 Email from Heritage Management Officer to Director, Strategic Planning and Policy, dated 14 April 2009.

59 *Confidential Submission*.

60 Email from Heritage Management Officer to Project Manager, dated 8 May 2009.

61 *Confidential submission*.

62 Ms Kylie Scroope, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 66.

- the Craftsperson shall assist in the detailed design, fabricate and assist in installation of items as follows:
 - a. podium and steps
 - b. desk/front
 - c. chair
 - d. rear screen.⁶³

4.78 This was confirmed in an email on 14 April 2009 from the Director of Art Services.⁶⁴ Mr Giurgola, in his letter of 21 April 2009, noted that the Speaker's chair was designed as an 'inseparable element of the Chamber's Central Furniture and the visual balance of the Chamber as a whole'. He also noted that the chair was a formal commission within the Parliament House Art/Craft Program.⁶⁵

4.79 Valuations for these items were provided in 1998 and 2005 with the Speaker's chair being valued at \$12,000 in 1998 and \$60,000 in 2005.⁶⁶ In 2012, the asset value listed on the DPS asset register for the combined Speaker's chair and desk (including timber surrounds) is \$133,925.20.⁶⁷ The Chamber Table was valued at \$10,000 in 1998 and \$200,000 in 2005.⁶⁸

4.80 In relation to a heritage assessment of the Speaker's Chair before the project proceeded, DPS stated that:

DPS has found no record of a formal heritage assessment having been undertaken. However, appropriate planning—including consultation with DPS heritage staff and consultation and moral rights notification processes with the original architect of Parliament House and the original craftsman of the Speaker's Chair—were undertaken in accordance with agreed processes.⁶⁹

Staff accommodation project

4.81 As noted in the committee's interim report, DPS commenced plans to convert the Staff Recreation Room area to office accommodation in late 2009. The aim was to accommodate staff displaced by the construction of a briefing room near the Cabinet

63 New Parliament House of Australia, Commission Agreement for Work of Art, agreement made 9 February 1988.

64 Email from Director of Art Services, dated 14 April 2009.

65 Mr Romaldo Giurgola, letter to DPS dated 21 April 2009.

66 Email from Director of Art Services to Project Manager, dated 15 May 2009.

67 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 71*.

68 Email from Director of Art Services to Project Manager, dated 15 May 2009.

69 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 70*.

Room and to relocate staff accommodated in the basement.⁷⁰ In all, provision was made to accommodate 65 staff in the area. The 18 staff displaced by the construction of the briefing room were accommodated in the Attorney-General's Department building with the Attorney-General's Department requesting the return of those staff to Parliament House by May 2011.⁷¹ The then secretary of DPS commented:

Having realised that we had to create some extra space, I was very keen to rectify one significant problem in the building: we have quite a lot of people doing what I call conventional office work from basement offices. I do believe it would be far better for their productivity and morale if they at least had some daylight. Having identified a space beyond the staff dining room which could accommodate more than just the 18 who need to come back from the Attorney-General's Department, we are aiming to establish a space which can accommodate the 18 plus further people out of the basement so that they can work in what you would call normal office space.⁷²

4.82 DPS provided the committee with a range of documents related to this project.⁷³ The following discussion is based on these documents.

Lack of moral rights consultation

4.83 The project was initiated in October 2009. At the Project Board meeting of 9 December 2009, the need for moral rights consultations under the *Copyright Act 1968* and National Capital and parliamentary approval was discussed. The excerpt from the minutes states that these approvals were not required.⁷⁴ No moral rights consultations were initiated by DPS at this time.

4.84 At the committee's hearing of 2 May 2012, Mr Kenny noted that the building architects had not been contacted and stated:

In 2010, when the planning for the staff dining room accommodation work was being done—and I think it is fair to say that the original architects had very strong views about that and were upset that they were not consulted—we had advice from our design integrity people at the time that consultation was not required because of the nature of the change. So we proceeded on the basis of that advice.⁷⁵

70 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 14.

71 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, email from the Acting Assistant Secretary, Projects Branch, dated 1 October 2010.

72 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates*, 18 October 2010, p. 11.

73 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012.

74 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, email from Mr John Harrison, Senior Project Manager, dated 26 November 2009.

75 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 46.

4.85 Mr Kenny's evidence points to the decision that no moral rights consultations were required being based on discussions with project team members and stakeholders. In a November 2009 email from the project manager it is stated that the Heritage Officer had considered that the project did not meet the requirements for moral rights or parliamentary approval as:

- the works were not a major change to existing developed areas of the building, no moral rights consultations were required. The works were predominantly within a services corridor and underdeveloped space and therefore would not cause any major visual changes; and
- in relation to parliamentary approval required by the Parliamentary Precincts Act, as the works are internal alterations, they did not require such approval.⁷⁶

4.86 In late 2010, DPS attempted to find advice from Heritage Officer regarding moral rights. No such explicit advice appears to have been found although DPS pointed to the document of 8 December 2009 written by the Heritage Officer and that the Heritage Officer was included in all emails regarding the Functional Design Brief and later design discussions.⁷⁷

4.87 In response to the DPS evidence, the then Heritage Officer denied that he had given advice that no moral rights consultations were required and stated:

I would counter that by saying that moral rights are required if it is seen to be a substantial project or a significant project in the building. Without doubt, a project that would be effectively altering the footprint of the design of the building would be seen as significant. We are changing an area that is within the public and ceremonial wing to private staff accommodation. Ultimately, not only is that quite a blight on the original design of the building but also it will be quite a difficult piece of work to manage. I think that it will always suffer from access into that area. That area of the building is not designed for accommodation and it will always suffer from various issues if implemented as so.⁷⁸

4.88 The then Heritage Officer noted that he had raised concerns during the project evaluation process. This included that:

The conversion of the Staff Recreation Areas to office accommodation will have consequences for the heritage aspects of Parliament House.

- This initiative will bring offices (work areas) into areas specifically designed to function as staff recreation and respite areas.
- This initiative will mean the loss of a staff amenity to building occupants and visitors.

76 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, email from Senior Project Manager, dated 26 November 2009.

77 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, emails dated 18 October 2009.

78 *Confidential*.

- Reduce ability for expansion of the Staff Dining Room and future proofing this area for staff growth in future years.
- Access to the new office areas will either be directly off the Staff Dining Area, designed to be an open space, non work related amenity for all building occupants, or through the courtyard, which has a similar function. No proposals should interfere with the curved wall in any way.
- Similarly, access through the gym would be invasive to a private staff amenity.

The feasibility study needs to carefully consider the heritage aspects of Parliament House.⁷⁹

4.89 In addition, the then Heritage Officer commented that the Business Case, dated 6 February 2009, stated that 'heritage management issues and moral rights impacted by access and egress to and from the office area'.⁸⁰

4.90 The former Heritage Officer also stated to the committee that the Heritage Office was deliberately cut from initial project planning stages but he had attended a project meeting in November 2009, 'in which documentation had already been developed' but had voiced his strong concerns for the suitability of the location of the proposed offices. He went on to state that:

In this meeting...the Project Manager, to my shock told me that the DPS Secretary, Mr Alan Thompson, had instructed him to proceed with the project despite the concerns from the Heritage Office and that all detailing was to be a 'high commercial standard' (as opposed to Parliament House architectural standards). To my knowledge, this is the only time a project has been authorised to depart from APH standards.⁸¹

4.91 In relation to the 8 December 2009 document, the former Heritage Officer commented that any advice provided was an attempt to ensure, should the project proceed, that the negative impacts on the building were minimised.⁸²

Notification of moral rights and consultations with the building architect

4.92 In January 2010, the design team were engaged and in April 2010 the construction manager was engaged. On 9 September 2010, the National Capital Authority advised DPS that it should consider moral rights with respect to the external alterations 'even though they were modest'. The external alterations made were to remove the ventilation screen in the curved wall and installing windows matching the design of nearby windows.⁸³

79 Customer Strategic Assessment, dated 13 January 2009.

80 Business Case, dated 6 February 2009.

81 *Confidential submission.*

82 *Confidential submission.*

83 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, Department of Parliamentary Services, Budget Estimates Brief, May 2011, p. 4.

4.93 DPS gave notice to Mr Giurgola on 14 September 2010 of its intention to undertake changes to the former staff recreation area. The letter stated in part:

The Project Board has given careful consideration to the design intent and heritage values of Parliament House, referencing the Central Reference Document. All work focuses on minimal impact to the building fabric.

4.94 The letter noted DPS's obligations in relation to moral rights and that the Act allows a maximum period of three weeks, from the date of notification, for consultation to occur. The letter went on to state 'if we do not hear you in the next 3 weeks, we will assume your compliance'.⁸⁴

4.95 Mr Giurgola met with the project team on 20 September where he raised a number of concerns. In addition, Mr Giurgola provided a written reply, dated 20 September 2010, in which he stated that 'my assessment of this project in relation to the Brief and principles underlying the design of Parliament House is totally negative'. He went on to outline his reasons for this view:

- the proposed change of use of the space was 'in absolute contradiction with the design of the Parliament House', which is based on a significant architectural distinction between the spaces assigned for public gatherings and uses, versus the offices for MPs and staff;
- the proposed design resulted in an excessively crowded space, with minimal daylight penetration;
- movement of people and materials to and from new accommodation will result in disruption to the Staff Dining Room; and
- a primary requirement for the people working in the building should be the maintenance of the original standard level of accommodation approved and adopted by the Parliament in the building's design which was based on simplicity, precision, order and well-being for the occupants spending long hours working in the building.

4.96 Mr Giurgola concluded:

I have no choice but to advise you that this change of use of this space from Staff Recreation to Staff Offices, if it were to proceed into construction, would violate the integrity of the building's design and my moral rights as an architect.

It debases the basic building design and legibility in a way that could easily impugn my reputation as an architect and that of my colleagues, since it would be construed that it was indeed our original design which produced not only such appalling accommodation for the daily lives of workers, but also created such an architectural confusion of public and non-public uses within the major zones within the curved walls. The precedent which it sets for a continuing ongoing erosion of the careful distinction between these

84 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, letter to Mr Romaldo Giurgola from Mr Nick Tate, DPS, dated 14 September 2010.

uses in the zones of the building is highly dangerous—your Department would not in future be able to resist requests for continuing projects to make changes of this kind.

I understand from talking with my former partner Hal Guida of GMB Architects that when your Department first approached his firm to undertake this project, GMB declined to be involved, saying to you at that time that it was an unacceptable change of purpose within the building. I am amazed that with such a clear objection at the earliest stages of the project by my colleagues you did not seek my response at that stage, rather than proceeding without further consideration.

I trust that this damaging project will not proceed and that a different solution will be found for the above accommodation.⁸⁵

4.97 At the committee's November 2011 hearing, this project was canvassed by the building architects. Ms Pamille Berg commented on the concerns raised by Mr Giurgola with DPS and the Presiding Officers and the issue of moral rights:

...you will know about the letters Aldo has written both to DPS and recently to the Presiding Officers of the parliament about the fitting out of the endocroft space behind the staff cafeteria, where the billiard room was, with offices, where he opposed that very strongly and felt so strongly that he wrote to the Presiding Officers. In that letter he said, 'I would be very embarrassed for any professional colleague to see the whole idea of what has been done here—for them to think that I could have been responsible for this degree of planning and execution and the placement of people in this zone of the building where the curved walls of the building are meant to hold the ceremonial, large-scale, monumental public places and the executive and there was to be no leakage of offices into that space, let alone the quality of the accommodation.' He is saying, 'I would be deeply, deeply embarrassed.' This is also about moral rights.⁸⁶

4.98 Mr Giurgola's letter of 20 September stated that the proposed project would result in an 'unacceptable change of purpose within the building'. DPS halted progress on the project and sought to establish the basis for this concern.⁸⁷ It was found that the Heritage Manager had provided the following comments in a document dated 8 December 2009 relating to design integrity considerations for the Accommodation Project:

One of the key design principles of the building is its strict order of geometry, both to the land and in its external and internal structure...The Staff Cafeteria is also located in this area and is adjacent to the new works. This area was not intended to accommodate administrative or operational

85 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, Mr Romaldo Giurgola, letter to the Department of Parliamentary Services, dated 20 September 2010.

86 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 11.

87 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, email from Mr Nick Tate to Mr David Kenny, dated 6 October 2010.

functions which are designated to the two outer House of Representatives and Senate Wings. It is therefore essential rigorous consideration be given to the introduction of office accommodation to this area to minimise impact on the design intent of the building, its functionality and significant heritage values.⁸⁸

4.99 In the advice from the Heritage Manager, the items to be considered were outlined including no changes or attachments to the curved wall, and consistency with Parliament House design detailing standards.

4.100 DPS met again with Mr Giurgola on 12 October 2012 and responded to him in writing on 21 October 2010. DPS apologised for not consulting Mr Giurgola earlier about the project but stated that original advice received was that no moral rights consultation was required on this project. It was noted that DPS would review its project initiation procedures regarding consultation with the building architects on moral rights issues. Further, it was proposed to undertake regular consultations⁸⁹ with Mr Giurgola to discuss proposed capital works. DPS stated that 'this will ensure early notification where significant consultation may be required'. The letter commented that DPS 'has no choice but to proceed with the project' because:

- the government required a secure briefing room next to the cabinet office and staff previously accommodated in this area had been displaced; and
- DPS staff accommodated in the basement needed to be relocated.

4.101 While noting the need to proceed urgently, DPS invited Mr Giurgola to provide DPS with suggestions to amend the plan, and to access possibilities for the development of more office accommodation at Parliament House. DPS also informed Mr Giurgola that planning was underway in relation to disability access in the building and invited Mr Giurgola to work with DPS to assist in that planning. In addition, DPS responded to the specific design concerns raised in relation to the staff accommodation project.⁹⁰

4.102 Mr Giurgola provided a further letter to DPS on 26 October 2010. While noting that it appeared that DPS had 'no choice but to proceed', Mr Giurgola declined to contribute to the project as:

...in my view such remedial intervention is contradictory to the very concept of the design of the Parliament. As I expressed to you, it will also be a sure and disruptive precedent for other needs of expansion.

Your letter includes an attachment that has an interpretation of the Moral Right that would allow situations like these to arise with the only alternative

88 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, email from Mr Nick Tate to Mr David Kenny, dated 6 October 2010.

89 The first quarterly DPS Capital Works Program review meeting was held on 1 November 2010. DPS was represented by the Assistant Secretary, Projects Branch; Director Strategy; and Building and Security Projects.

90 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, Mr David Kenny to Mr Romaldo Giurgola, letter dated 21 October 2010.

left for anyone of being sorry later. One should hope that this will not be the fate of the Parliament House.⁹¹

4.103 Mr Giurgola wrote to the Speaker of the House of Representatives on 11 November 2010. The Presiding Officers replied on 9 February 2011 advising that the project needed to continue.

4.104 The project resumed with the demolition phase commencing on 8 November 2010. DPS staff moved into the new accommodation from April 2011. The estimated cost of the project was \$5.11 million, comprising \$3.81 million DPS capital funding plus \$1.30 million of funding from the Attorney-General's Department.⁹²

Staff Dining Room and kitchen refurbishment project

4.105 Refurbishment of the staff dining room was undertaken in 2008–09. The President advised the committee at the February 2009 Additional Estimates that:

After 20 years of service, the staff dining room was due for refurbishment. Stage 1 was completed on time and the staff dining room reopened on 2 February. It is expected that stage 2, involving the florist and work on the dining area, will be completed in March 2009.⁹³

4.106 Mr Thompson, Secretary, DPS, also commented on need to refurbish the staff dining room because of ageing facilities and requirements under the catering contract entered into with W Catering in 2008:

It had been well recognised quite some years ago that the staff dining room was overdue for a refurb. The floor was leaking, the gear was old and so on. The flow of people did not work. We then move into early 2008, when we were looking to find a new contractor to run that operation. We ultimately awarded that contract to W Catering, and we certainly committed as part of it to undertake the refurbishment. In fact, the intent to refurbish predated the involvement of W Catering.⁹⁴

4.107 The contractual agreement with W Catering was outlined in the DPS Customer Request which stated that DPS was committed to:

- refurbishing the staff dining and recreation area; including area for the potential expansion of Parliament House Child Care facilities; and

91 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, letter from Mr Romaldo Giurgola to DPS, dated 26 October 2010.

92 Department of Parliamentary Services, *Answer to question on notice No. 2*, dated 18 October 2012, Department of Parliamentary Services, Budget Estimates Brief, May 2011.

93 Senator the Hon. John Hogg, President of the Senate, *Additional Estimates Hansard*, 23 February 2009, p. 9.

94 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Additional Estimates*, 23 February 2009, p. 36.

- reconfiguration/refurbishment of the servery to meet best practice service delivery and energy efficiency standards.⁹⁵

4.108 This project was undertaken in stages with Stage 1 completed in February 2009 following work on the servery, florist and dining room lights. In Stage 2 work on the dining room was completed and refurbishment of the disabled toilet undertaken.

4.109 The 'front of house' refurbishment of the dining room was completed in early 2009 at cost of \$3.1 million. The design component comprised \$131,000 in contractor costs and approximately \$10,000 in DPS staff costs.⁹⁶ This was described as going from the 'serving counters forward out into the dining area'.⁹⁷ The caterer (W Catering) was consulted as part of the designs. The project was oversights by LFA Architects and a catering expert was also part of the design process.⁹⁸

4.110 In addition, a change to technology for the front of house was undertaken at a cost of \$169,747. This was a point of sale system aimed at decreasing queuing and congestion.⁹⁹

End Project Report

4.111 As part of project completion documentation, DPS produces an End Project Report. The End Project Report covers many issues including a 'Lessons Learnt Report'. The End Project Report for the Staff Dining Room project, dated September 2009, contains a frank assessment of serious problems encountered during the project. One significant problem was the timeframe for the completion of the project and the report pointed to lack of consultation by DPS executive with those who had to manage the project. The End Project Report commented:

The urgency of this project was created by commitments to achieve outcomes by a given date by DPS Executive with little prior consultation with the area responsible to manage the project. Greater consultation was needed between DPS branches and stakeholders of whom large time commitments were required, before an executive commitment was given.¹⁰⁰

4.112 Other issues identified included:

95 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012, Attachment 2, Customer Request.

96 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 65*; see also Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012.

97 Ms Liz Bryant, Department of Parliamentary Services, *Additional Estimates Hansard*, 17 October 2011, p. 46.

98 Ms Liz Bryant, Department of Parliamentary Services, *Additional Estimates Hansard*, 17 October 2011, p. 46.

99 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 65*.

100 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012, Attachment 6, End Project Report – Lesson Learned Report, p. 1.

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- problems with documentation 'that were potentially very dangerous' including unlisted power circuits and previous construction that did not comply with requirements;
 - the effect of staff shortages and staff funding issues in DPS maintenance specialist areas meant that problems, such as the project as built did not meet Parliament House specifications, were not identified until the project was near completion;
 - the construction team was removed from the site after the handover date and as a consequence the new team had no interest or understanding of the project or systems required at Parliament House and the project suffered;
 - the Parliament House project team was inexperienced because of staff turnover in the DPS Building and Security Projects team; and
 - DPS was unable to enforce time restrictions due to the contract having no liquidated damages as DPS had received legal advice that liquidated damages were not possible or advisable under the contract.

4.113 The report also pointed to a lack of suitably qualified staff to manage the building's fire or mechanical services as DPS no longer has fire or mechanical engineer positions. As a consequence, the report noted that there is a void in staff specialist knowledge to review documentation/strategy against broader building strategy and specifications which are extremely complex in Parliament House.

4.114 Of particular concern to the committee are the comments in relation to the fire standards. The report states:

Of great concern is that the building does not comply with modern fire standards. The responsibility to approve fire isolations fall to the contract manager of fire services. The contract manager is not qualified to advise on technical questions from contractors. External consultants have neither the fees, interest nor intimate knowledge of the House to provide reliable or sufficiently broad advice.¹⁰¹

4.115 The report also commented that, had suitably qualified staff been available, 'many of the issues on site could have been avoided and costs for the project greatly reduced'.¹⁰²

4.116 The Lessons Learnt Report provided recommendations in relation to fast tracked projects, tighter contracts and staffing consistency, building information, operations and maintenance manuals as well as:

- *Compliance and ongoing availability:* there are several areas of the building structure that do not comply with modern building codes, for example, fire egress, smoked detectors and EWIS speakers, working in confined spaces but

101 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012, Attachment 6, End Project Report – Lesson Learned Report, p. 2.

102 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012, Attachment 6, End Project Report – Lesson Learned Report, p. 2.

'original systems are enforced (even where less efficient/lesser quality) to ensure a simpler maintenance regime'. It was recommended that, where possible, any new building work should ensure the design meets current and likely future code requirements but noting that 'of prime importance is the need to retain the language of the building in such elements as style, colour, texture and finish';

- *Design integrity:*

Design integrity is a critical function within DPS and should play a greater, more hands on role in the project management teams particularly in the early design phase. The current staffing seems insufficient to maintain the very close involvement needed throughout a project to ensure there is detailed scrutiny of documentation and design specifications before the construction phase. Considerable money could be saved by identifying inconsistent design or important finishes details before it is built;¹⁰³

- *Organisational limitations:* DPS arrangements are not geared to fast tracking of projects. In order to overcome this it was recommended that the project teams be expanded to include dedicated maintenance specialists, in-house engineering expertise, and the Heritage Management Officer to manage the moral rights process and maintain ongoing monitoring of design and quality finish.¹⁰⁴

4.117 Following completion of the project, customers of the refurbished Staff Dining Room pointed to significant problems with long queues and confusion. The Acting Secretary, Mr Russel Grove, acknowledged the problems and responded:

No, I think it would not be fair to say it is a debacle. I would say that there have been issues in the staff dining room area with the redesign. The department has taken those issues on board and is working with the contractor to attempt to solve the issues.¹⁰⁵

Loss of heritage assets

4.118 Evidence was received that, as a result of the refurbishment of the Staff Dining Room and the new staff accommodation, heritage assets including custom light fittings and a screen from the Staff Dining Room that many people believe was designed by Mr Giurgola were lost.

4.119 As part of the refurbishment of the Staff Dining Room, a screen was removed and now appears to have been disposed of. The screen was installed as part of a refurbishment undertaken in the 1990s. It consisted of a timber and stainless steel frame and four decorative fabric screen prints. The prints represented the four seasons

103 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012, Attachment 6, End Project Report – Lesson Learned Report, p. 4.

104 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012, Attachment 6, End Project Report – Lesson Learned Report, pp 4–6.

105 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 58.

and were intended that they were rotated at appropriate times. Some staff believe that the screen was designed by Mr Giurgola and the fabric screen prints undertaken by Ms Keiko Schmeisser.

4.120 At the May 2012 Budget Estimates DPS was questioned about the whereabouts of the screen following the completion of the latest round of staff dining room refurbishments.¹⁰⁶ DPS took the matter on notice and provided the following information:

There was only one screen in the Staff Dining Room at the time of the refurbishment. That screen was not part of the Parliament House Art Collection and not an item of 'commissioned art furniture'.

DPS can find no records that indicate Keiko Schmeisser was involved in the design of the screen, nor any records that indicate Mr Giurgola may have been the designer of the screen.

During the 2009 Staff Dining Room Refurbishment project, the screen was disassembled for storage. Subsequently, as the screen was not part of the Parliament House art furniture collection, it was disposed of (around \$80 was received for the metal components).¹⁰⁷

4.121 The committee received evidence about the disposal of custom fittings during the staff dining room refurbishment project, including that light fittings were salvaged from a garbage skip. Mr Giurgola commented that he was 'very distressed' when this had occurred.¹⁰⁸ Mr Hal Guida noted that many people had an interest in Parliament House and he had received emails and photos of the light fittings.¹⁰⁹

4.122 As a consequence of the review undertaken in 2011 by Mr Robert Tonkin into DPS asset disposal policies and practices, DPS has undertaken a project to improve the identification of assets that did not already form part of the Parliament House Art Collection but are considered to have cultural heritage value. Building spares have been identified as items to be included in the database of heritage assets. These include light fittings specifically designed and manufactured for Parliament House; monumental door hardware (spares); Chamber fabric; terracotta roof tiles for the Chamber roofs, and hand woven fabrics both *in situ* and on rolls. DPS stated:

As items and objects including original building spares continue to be identified or become rare, they will be added into the SAP database as heritage assets. Once classed as a Parliament House heritage asset, these items will then attract the protection and management appropriate for

106 *Budget Estimates Hansard*, 21 May 2012, pp 62–63.

107 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 68*.

108 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 1.

109 Mr Hal Guida, *Committee Hansard*, 16 November 2011, p. 12.

heritage items including (if appropriate) disposal in accordance with guidelines for disposal of heritage items.¹¹⁰

Kitchen upgrades

4.123 Although the DPS Annual Report for 2008–09 stated that as part of the Staff Dining Room project a 'complete kitchen upgrade' was undertaken, DPS has now informed the committee that this was incorrect.¹¹¹ DPS has however, recently undertaken the 'all Catering Kitchen Refurbishment Project'. Ms Graham, at the Budget Estimates 2012, provided details of this project:

The kitchens at Parliament House are nearly 25 years old. Commercial kitchens are generally updated every 10 to 15 years. One of the particular problems we have is that flooring and tiles become harder and harder to clean over time and after about 10 years they really need replacement altogether. The kitchens are dated. They are using outdated equipment. They do not comply with food preparation standards. The work that is being done is to bring these kitchens and facilities up to a standard that is acceptable so that we can have a greater level of confidence in providing safe food to visitors and people who work here at Parliament House.¹¹²

4.124 It was noted that there had been minor upgrades of the kitchens undertaken previously but the project aimed at more extensive refurbishment.

They have had some minor upgrades, but not to the extent that we are doing at the moment. This is about the kitchen wall, floors and ceiling finishes, which we are upgrading to meet the current food premises guidelines. We are basically replacing old tiles et cetera on the floors and the grout surfaces that have become quite corroded and grubby and replacing them with clean surfaces. We are going right through the kitchens within Parliament House.¹¹³

4.125 DPS noted that the surfaces in the kitchens do not meet the appropriate food preparation standards. In addition, the catering contractor has had to put in place additional labour-based steps to maintain reasonable levels of food safety compliance.¹¹⁴ In addition, the project provides for the use of cook-chill technology which is based on a main production kitchen and satellite kitchens for

110 Department of Parliamentary Services, *Answer to question on notice No. E6*, dated 26 April 2012.

111 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012.

112 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 61.

113 Ms Liz Bryant, Department of Parliamentary Services, *Additional Estimates Hansard*, 17 October 2011, p. 46.

114 Ms Bronwyn Graham, Department of Parliamentary Services, *Additional Estimates Hansard*, 17 October 2011, p. 47.

reheating/finishing. DPS also indicated that the use of other new technologies would result in efficiencies and savings.¹¹⁵

4.126 The total cost of the kitchens project was \$14.2 million over a four year period. The Staff Dining Room kitchen upgrade was completed on 3 February 2012 at a cost of \$3,390,000.¹¹⁶

Car park lighting project

4.127 In 2010, DPS embarked on a project to replace the lights in all the building car parks with the aim to achieve energy savings of 10 per cent, achieve an increase in average life over the existing installation, and achieve a reduction in maintenance costs. The project required covered 1976 luminaires. In addition, it was noted that there were serious work, health and safety issues arising from the poor condition of the cabling of the existing luminaires.

4.128 DPS employed a consultant to assist in the selection process. The consultant's draft report was provided in May 2010 and provided comment on alternative luminaire options. The options examined included purpose designed lighting, retrofit of the current lighting and six alternatives. The consultant considered that a purpose designed luminaire was the most suitable option as it provided the best performance, least maintenance cost, and longest expected serviceable life compared with the other alternatives. The report stated that the preferred option 'has been designed as a long life, low maintenance luminaire specifically for use within Parliament House car parks'. The consultant identified two other alternatives if DPS was going to consider less robust, more basic luminaires. The consultant stated, in relation to the alternatives, that:

Though they have more basic construction and would require more maintenance than [the preferred option], they would require replacement at the end of 20 years of serviceable life. They are also not square in profile [and] would require further investigation and confirmation from DPS architectural integrity to confirm suitability for use in the car park.¹¹⁷

4.129 DPS did not support the consultant's preferred option. The total budget for the project was \$1.75 million which represented a saving of \$935,000 below the amount provided for in the Capital Works Program 2010 to 2015. The consultant's report provided the following comparisons between the preferred option and that installed by DPS:

115 Ms Bronwyn Graham, Department of Parliamentary Services, *Additional Estimates Hansard*, 17 October 2011, pp 46–47.

116 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 18 October 2012.

117 Department of Parliamentary Services, *Answer to question on notice No. 5*, dated 18 October 2012, Luminaires Selection Options Report.

Tabled 4.2: Options for car park lighting project

	Consultant's preferred option	Installed option
Estimated capital cost	\$2,080,000	\$1,260,000
Maintenance cost	\$297,1118	\$523,305
Reduced maintenance cost?	Yes (\$246,000)	Yes (\$28,000)
Life cycle cost (20 yr general lighting only)	\$3,913,000	\$3,319,000
Residual value of asset	\$1,040,000	\$0
Life cycle cost less residual value	\$2,873,000	\$3,319,000
Life cycle cost	\$5,809,000	\$5,890,000
Estimates serviceable life	40 years	20 years

Source: Luminaire Selection Process and Alternatives Report

Committee comments

4.130 The four case studies undertaken by the committee highlight major deficiencies in DPS's engagement with moral rights holders, project management and maintenance of design integrity.

Engagement with moral rights holders

4.131 The House of Representatives Chamber Enhancement and the Staff Accommodation projects display engagement with the moral rights holders that was at the very least poor and at worst dismissive. In relation to the House of Representatives Chamber Enhancement project, even though the project was taking place in an area of significant heritage and design integrity values, DPS did not approach Mr Giurgola in the initial stages of the project. Rather, Mr Giurgola only became aware of the project during the design tender process following contact with GMB Architects.

4.132 Once Mr Giurgola became aware of the proposals, he provided DPS with detailed matters of concern. The committee examined DPS's responses to Mr Giurgola and is very disturbed at their content and tone: DPS's correspondence was brief, dismissive and contained incorrect information. While the committee acknowledges that some modifications were made following Mr Giurgola's representations, DPS appears to have been very quick to progress the project and the committee is left to question whether the matters raised by Mr Giurgola were given adequate consideration by DPS.

4.133 In the case of the House of Representatives Chamber Enhancement project, the committee has grave concerns about the adequacy of engagement with Mr Giurgola including timing and responsiveness to suggestions for modifications to the scope of the project.

4.134 In relation to DPS's engagement with Mr Upfill-Brown, the committee does not consider that DPS's first email constituted a proper moral rights notification. Indeed, DPS sought advice from the Australian Government Solicitor in relation to the adequacy of the email exchange as a waiver of moral rights. Of course, this begs the question as to why DPS did not conduct formal moral rights notification and consultations with Mr Upfill-Brown in the first instance. Further, the committee does not consider that the moral rights consultation was undertaken in accordance with agreed processes as stated by DPS following the 2012–13 Budget Estimates.

4.135 Even more disturbing is the accusation that DPS did not inform Mr Giurgola that Mr Upfill-Brown had deferred his moral rights to Mr Giurgola. If this is the case, and the relevant DPS decision-maker knowingly withheld this information from Mr Giurgola, the committee considers that this could not be viewed as acting with integrity in the course of Parliamentary Service employment.

4.136 The Staff Accommodation project was a significant undertaking and the committee finds it disturbing that no moral rights consultations were initiated by DPS at the commencement of this project. The committee has viewed the draft Project Functional Design Brief which points to the need for moral rights consultations. This was removed from the final document. DPS has stated that this was done with the agreement of the then Heritage Management Officer. However, the Heritage Management Officer has denied providing the advice that the project did not require moral rights consultation or parliamentary approval.

4.137 The committee also notes that Mr Giurgola's letter states that Mr Hal Guida of GMB Architects had already declined to take on the project because of the implications for the design of the building. DPS attempted to verify this statement but it appears that no notes of discussions were found, and the project manager at the time could not recall the exchange with Mr Guida nearly a year later.

4.138 The committee views the absence of appropriate moral rights consultation from the commencement of this project as further evidence of a culture of lack of respect for statutory requirements, the holders of moral rights and for the building itself. As the changes envisaged were considerable, the committee believes it would have been reasonable for DPS to consult Mr Giurgola even if there was a view that there was no obligation to do so under moral rights requirements. In addition, given the context of this project, only one year after the House of Representatives Chamber Enhancement project had encountered significant design integrity and moral rights issues, the committee is of the view that DPS should have been alert to these matters. This appears not to have been the case and the Staff Accommodation project is yet another example of the disregard that DPS exhibited for the preservation of the design integrity of the architecture of the building.

4.139 DPS commented in evidence that it regularly engages with Mr Giurgola, for example, the then acting Secretary, Mr Russell Grove, commented at the committee's hearing in May 2012 that:

[Mr Giurgola] has never been excluded from conversations. His views have always been taken into account. Issues have been talked through. On every project that has any potential for enormous change to the fabric or context

of the building, he is consulted. It is true that sometimes he takes very strong exception, and those matters are talked through...While as a purist he may prefer something not to happen, I think there have been cases where he has had his view and objection registered but accepts, for practical reasons, a particular change may need to take place.¹¹⁸

4.140 While the committee notes Mr Giurgola's comments on his positive experience with the design of the Parliament House child care centre¹¹⁹, this appears to have been the exception rather than the norm. The committee therefore does not agree with the view of the moral rights consultations generally undertaken by DPS in the past have been adequate. Following the problems with the Staff Accommodation project, DPS instigated quarterly meetings with Mr Giurgola to discuss the DPS capital works program but these only provide information and are not a moral rights consultation process.

4.141 At the committee's hearing of 30 October 2012, Ms Mills, Secretary, DPS, indicated to the committee that she had examined the way in which moral rights consultations had been undertaken and stated 'the way in which we consulted in the past has not been best practice and perhaps, in some cases, not even good practice'. She explained this view by commenting that in some instances too much information was provided 'with too short a turnaround time in which decisions could be made and often too much from a single issue point of view rather than a comprehensive process of discussion'. Further, rather than consultation, information has been provided without the opportunity for genuine input.¹²⁰ Ms Mills also indicated that she did not think that quarterly meetings with Mr Giurgola, where he is provided with a great deal of material on individual projects, was the best way to engage with him. Ms Mills commented that she is seeking a way to improve engagement with Mr Giurgola:

...to have a more strategic way of dealing with the information he needs and to provide that to him in a format which gives him a manageable workload and the feeling that he is genuinely being a part of the process. If you look at the material he has commented on, I think there is no question that he has added value every time he has provided feedback to us. It is something I think we are very fortunate to have and want to make best use of—but not in an exploitative way nor in a way that does not allow him to have some dictate over time and place et cetera.¹²¹

4.142 The committee welcomes the evidence provided by Ms Mills as an indication that DPS is putting place a mechanism to ensure appropriate consultation with

118 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 47.

119 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 13.

120 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 5.

121 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 7.

Mr Giurgola will take place in the future and engaging with him in a respectful, professional and timely manner.

Design integrity

4.143 DPS provided the committee with a large volume of documents related to the House of Representatives Chamber Enhancement project. It is evident from the committee's examination of the documents, including emails and amendments to meeting minutes, that DPS Heritage Management staff were far from comfortable with the direction and scope of the project. One major area of concern was the proposal to replace the original chair with a proprietary chair rather than seeking to have the OHS issues addressed. The committee considers that greater emphasis must be placed on design integrity issues during the design phase of projects.

4.144 The committee is also concerned about the apparent lack of inclusion of the Speaker's chair in the Art Collection. As stated above, Mr Giurgola noted that the Speaker's chair was designed as an 'inseparable element of the Chamber's Central Furniture and the visual balance of the Chamber as a whole' and was a formal commission within the Parliament House Art/Craft Program.

4.145 In relation to the loss of the screen from the Staff Dining Room during renovation of this area, the committee finds DPS's explanation less than adequate. The committee has not received any evidence that DPS approached Mr Giurgola. The disposal of the screen again highlights major deficiencies in the management of Parliament House assets. DPS stated that the screen was sold 'as the screen was not part of the Parliament House Art Furniture Collection'. As the committee noted in its interim report, the possible heritage value of an item based on whether or not it is listed in the Art Collection database is far too narrow. The committee acknowledges that DPS is addressing this matter, but again the committee is left to speculate about what other items of heritage value have been lost because of DPS's failure to establish a comprehensive definition of heritage items and to update its listings of items since the building opened in 1988. These examples demonstrate the need for more on-going scrutiny and accountability of DPS operations.

4.146 A further design integrity matter was exposed in relation to the car park lighting project. In this project, DPS chose not to go with the option suggested by the consultant. The documents provided to the committee do not provide the reasons for the decision not to follow the option preferred by the consultant. However, it appears that cost was a large factor with the indication that just under \$1 million was saved by installing one of the alternative options. The committee notes that the consultant had indicated that there were design integrity considerations with the options other than the preferred option. In addition, maintenance costs were higher, the life cycle shorter and the residual value lower for the option installed by DPS.

4.147 In answer to questions on notice, DPS commented 'some heritage aspects are met by ensuring DPS specifications and standards are used'. DPS, however, went on to note that 'many of these specifications and standards can result in very high costs'. DPS also noted that as a *Financial Management and Accountability Act 1997* (FMA Act) agency, it was required to ensure it manages public resources efficiently, effectively and ethically and that:

To ensure the efficient and effective use of public money DPS evaluates alternative solutions and considers the application of the specifications and standards in relation to the significance of the space, fitness for purpose and cost implications.¹²²

4.148 As has already been stated, it is unclear why DPS did not choose a lighting option which met design integrity requirements. However, the committee does not consider that choosing an option for design integrity benefits would be precluded by the FMA Act. As DPS itself pointed out, the FMA Act requires the use of public monies 'effectively and ethically'. In the committee's view, ensuring the maintenance of the heritage of Parliament House through choice of replacement items that meet design integrity requirements is both effective and ethical.

Project management

4.149 The Staff Dining Room was completed on time and within budget however it appears to the committee that to say that based on this outcome the project was a success is simplistic. The Lessons Learnt Report provides a litany of matters which are of great concern to the committee. These matters range from an apparently arrogant approach by the DPS executive deciding on the project's timeframes without consultation with staff who had to manage the project to fire safety issues.

4.150 Of particular concern was the reported loss of in-house technical expertise and the inexperience in the DPS project team because of staff turnover. The lack of expertise was not only identified in technical areas but also in relation to design integrity. With this project, design integrity issues were not identified prior to construction commencing and the End of Project report indicates that DPS costs increased because of this. More importantly, the potential to undermine the design integrity of the building through use of inappropriate style, colour, texture and finish because of lack of expertise is unacceptable.

4.151 Ms Mills addressed the loss of technical expertise in her evidence to the committee on 30 October 2012. Ms Mills stated:

My understanding is—and again this is perhaps not written advice but anecdotal advice from asking people who have been around longer—that an increase in outsourcing various skills and also budgetary issues combined to influence decisions about the structure of the organisation, including the building area. It is certainly an issue that staff have raised with me quite recently and now, as I gain an increasingly detailed understanding of the complexity of running this building, it seems to me that some of those positions do need to be reviewed, moving forward, to have on hand either independent but readily available experts in some of these critical areas or on staff. There are certainly gaps in our knowledge base in critical areas at the moment that I would like to see filled.¹²³

122 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4602.

123 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 4.

4.152 Ms Mills also stated that a restructure of the asset area was being undertaken so that there would be a single director with responsibility for all aspects of the building. Ms Mills commented that this will 'reinvigorate in that area a strength and a strategic capacity' to deal with critical issues in the future. While Ms Mills commented that previously there had been a belief that some of the roles could be performed on a contract or one-off basis rather than by the employment of in-house expert staff, she did not have a view about the right way to deliver these services, 'but either way it has to be robust'.¹²⁴

4.153 Specifically in relation to the abolition of the position of the fire certifier position and fire safety in the building, Ms Mills informed the committee that a review had been undertaken earlier in 2012. A number of upgrades of active fire systems were recommended and this is being considered as part of the capital works program for the forthcoming year. Ms Mills concluded that 'in an area as significant as this we need a systemic solution and not a series of individual reports'.¹²⁵ The committee considers that DPS should institute a comprehensive review of fire safety within the building.

4.154 The committee is pleased with the response from the new Secretary of DPS to these significant issues, particularly in relation to fire safety. The building is large, with many occupants and visitors. The Parliament must be assured of the safety of all occupants and the committee will continue to monitor fire safety measures in coming estimates hearings.

124 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 4.

125 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 5.

Chapter 5

Asset management and disposal policies and practices

Introduction

5.1 The assets of Parliament House are not small: the book value of Parliament House and its contents was some \$2.3 billion in 2011.¹

5.2 The role that DPS undertakes in relation to those assets is one of stewardship, albeit with guidance from the Presiding Officers. This means that DPS must preserve the assets that make up Parliament House on behalf of the Parliament and the people of Australia. DPS has commented that 'effective asset management is a significant component of the responsibilities of DPS, and it is a role that we take very seriously'.² Indeed, as previously noted, the DPS asset management principle is promulgated as:

Protect what we have – we need to maintain the design integrity and heritage values of this building and preserve cultural heritage assets that have unique national historic significance.³

5.3 However, the sale of the billiard tables from the Staff Recreation Room in 2010 has cast doubt on DPS asset management and disposal policies and practices.

5.4 As noted in the committee's interim report, the sale of billiard tables went ahead because of inadequate recognition of their potential heritage or cultural value. This arose as DPS has taken a very narrow view of cultural and heritage items in Parliament House; principally that if the item was not listed on Parliament House Art Collection database, little or no consideration of the heritage value need be given before a disposal action takes place. DPS has recognised that 'it is clear that some further work is required to fully detail the heritage, cultural or historic values of various items in and around Parliament House which are not within the [Parliament House Art Collection]'.⁴ This action has only arisen as a result of the investigation into the disposal of the billiard tables.

5.5 This chapter provides an overview of DPS asset management policies and practices and the implementation of recommendations to improve asset management. The committee also provides details of asset disposal processes which appear to have been undertaken with little consideration to heritage values.

Parliament House Art Collection

5.6 DPS has stewardship over the following heritage and cultural assets which, as at mid 2010, had a total value of \$77.4 million and are referred to collectively as the Parliament House Art Collection (PHAC):

1 Department of Parliamentary Services, *Submission 3*, p. 12.

2 Department of Parliamentary Services, *Submission 3*, p. 12.

3 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4600.

4 Department of Parliamentary Services, *Submission 3*, p. 14.

- rotational art collection;
- architectural commissions (which comprise artworks commissioned during the design of the building, including some furniture);
- historical memorials collections;
- official gifts collection;
- constitutional documents; and
- archive materials.⁵

5.7 Every four years, the PHAC is independently re-valued. In 2005 and 2009 the valuations were conducted by the Australian Valuation Office.⁶

5.8 Following a review of the PHAC in 2004, conducted by Ms Betty Churcher AO, DPS stated that it progressively implemented a range of recommendations to protect and manage the collection. For example, current facilities were not originally intended for storing art and the next priority is a major upgrade of the storage facility as part of the capital works program for 2011–12 and 2012–13.⁷ DPS described the improvements made over the last several years to the management of the PHAC:

Many important items were either not previously listed as part of the collection, or their listing was incomplete or inaccurate. Artworks and gifts have been fully catalogued and described; independent formal valuations have been conducted; and policies and guidelines relating to their care and use developed and implemented. This has also led to better conservation and maintenance outcomes, and improved inventory control for these items.⁸

5.9 DPS concluded that 'effective management and curatorial quality systems are now in place'.⁹

Asset register for PHAC

5.10 A catalogue database of PHAC items is maintained by DPS Art Services. The collection management system records comprehensive details of the assets held:

Collection items are registered in the system by staff at the time of their acquisition (whether by purchase or gift) and updated as appropriate (for example, movement/location details are updated every time an item is moved). There are currently over 6000 records in the database; but not all 6000 records represent individual items. Some records represent 'parent' and 'child' components of items; and some items are listed for tracking and information management purposes, but are not assets that belong to DPS. Examples of these are the Tom Roberts painting, which is owned by the

5 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4573–74.

6 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4580.

7 Department of Parliamentary Services, *Submission 3*, p. 8.

8 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4574.

9 Department of Parliamentary Services, *Submission 3*, p. 3.

Royal Collection; and the Yirrkala Petitions, which are owned by the Department of the House of Representatives. The PHAC itself encompasses around 5000 artworks assets that are owned by DPS.¹⁰

PHAC policies and procedures

5.11 DPS outlined the following policies relating to the management of the PHAC and provided copies of the documents:

- *Operating Policy and Procedure No. 17–Parliament House Art Collection* (incorporates the Rotational Collection Acquisition Policy);
- *Operating Policies and Procedures No. 19–Allocation of artworks to Members of Parliament*;
- Official Gifts Collection Policy;
- Historic Memorials Collection: Guidelines for the selection of artists and processes for the procurement of portraits;
- Parliament House Art Collection De-accessioning Policy;
- Art Advisory Committee Terms of Reference; and
- Parliament House Art Collection-Stocktake procedures.¹¹

5.12 According to the PHAC De-accessioning Policy, the following key principles apply:

- a) De-accessioning of items will only be undertaken with the overall objective of improving the PHAC, so that it continues to fulfil its stated purpose in accordance with the current PHAC Acquisitions Policy.
- b) De-accessioning will not take place in response to current trends or on the basis of personal taste.
- c) Items previously acquired in accordance with the PHAC Acquisition Policy will be de-accessioned in consultation with the artist or maker where appropriate, and will take account of any specific contractual obligations that are still in effect.
- d) Moral Rights obligations set out in the *Copyright Act 1968* will be adhered to when de-accessioning artworks.¹²

5.13 The PHAC De-accessioning Policy also describes the criteria for de-accessioning, the approval process (involving a written submission to be prepared by the Director, Art Services, through the Secretary of DPS to the Presiding Officers) and the disposal methods. The criteria for consideration of de-accessioning are:

- a) the item properly forms an integral part of the collection, building fabric and or heritage significance of another collecting institution;

10 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4581.

11 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4580.

12 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment R, p. 1.

- b) the item is duplicated elsewhere in the collection;
- c) the item is a copy which has been replaced by a better copy;
- d) the item has become a danger to the safety of staff and or other materials in the collection-e.g. due to chemical decomposition;
- e) the item has been lost or stolen and has not been recovered;
- f) the item does not satisfy the current collection Acquisition Policy;
- g) the provenance or authenticity of the item is questionable; or
- h) the item as deteriorated or been damaged to such an extent that:
 - i. retention and preservation of the content by migration or copying is not practicable; or
 - ii. the ongoing costs associated with conservation, storage and maintenance of the item are disproportionate to its assessed value and significance.¹³

5.14 The written submission to the Presiding Officers should include the reasons for the proposed removal of the item from the PHAC; the circumstances of the original acquisition of the item; significance of the item to the PHAC; value; effect of removal of the item on the integrity of the PHAC; and recommended method or option for disposal. The submission recommending de-accessioning should also satisfy the Presiding Officers that:

- there is no legal restriction on disposal of the item;
- consideration has been given to the full range of implications of disposing of an item from the collection; and
- every reasonable effort has been made to consult the commissioned artist, the donor, the trustee or their legal representative where relevant.¹⁴

5.15 Under 'Disposal methods', the Policy states that the disposal method selected 'must take into account the protection of the public interest as well as the interests of the collection'. Methods of disposal include transfer or donation to another collecting institution; return to the artist/maker or donor when they can be located; sale; or physical destruction.¹⁵

5.16 In relation to provenance, the Policy states that 'where appropriate, the Presiding Officers may require any person or organisation arranging the sale of the de-accessioned item to keep its provenance confidential'. The Policy also states very clearly that no parliamentarians, nor anyone associated with DPS, should be able to acquire a de-accessioned item:

Under no circumstances should a de-accessioned item be purchased by or have their ownership transferred to staff of the Department of Parliamentary

13 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment R, p. 2.

14 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment R, pp 2–3.

15 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment R, p. 3.

Services, parliamentarians, office holders of organisations affiliated with the collection, or to members of the staff or immediate family of any of those persons.¹⁶

5.17 Finally, the Policy requires that 'complete records of each de-accessioned item and the circumstances of its de-accessioning and disposal will be maintained in the Art Services Collection Management System (CMS) database as well as on the file registry'.¹⁷

Art Advisory Committee

5.18 The PHAC is also overseen by the Art Advisory Committee. Membership comprises the President of the Senate and Speaker of the House, the Deputy President and Chairman of Committees, the Deputy Speaker and the Secretary of DPS. An independent advisor from the National Gallery of Australia also advises the committee. The committee's responsibilities include:

providing guidance on the Rotational Collection Acquisition Policy, and setting short-term priorities for acquisitions;

assessing acquisition proposals in accordance with the Acquisition Policy and priorities; and

providing advice on other matters related to the display and management of artworks in the Parliament House Art Collection as considered necessary by the Presiding Officers.¹⁸

PHAC stocktake procedures

5.19 DPS Art Services conducts a stocktake of the PHAC annually, using a sampling approach of approximately 10 per cent of the entire collection. The last stocktake of 100 per cent of the collection was undertaken in 2005. DPS explained:

The practice of undertaking annual 100% stocktakes of the PHAC has been discontinued, as it was very resource-intensive relative to the levels of risk, and had a major impact on normal service delivery.¹⁹

5.20 For the years 2006 to 2010, there were no missing items identified during the sample stocktakes. There were, however, 'mislocated' items (i.e. incorrect location details recorded) found: 11 in 2006; seven in 2007; one in 2009 and three in 2010. The location details for these items have been subsequently corrected.²⁰

Disposals and de-accessioned items from the PHAC

5.21 DPS provided details of de-accessioned items since 2000. The accompanying explanation stated:

16 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment R, p. 4.

17 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment R, p. 4.

18 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment S, p. 1.

19 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4581.

20 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4581.

Many of the de-accessioning actions listed date from between 2003 and 2005—this relates to the progressive introduction (between 2001 and 2004) of a comprehensive catalogue database of items in the PHAC, and implementation of more rigorous stocktake procedures. Consequently, it was identified that a number of items had been 'registered' in the collection prior to (or in) 1988, but had either been missing for some time, or had never been physically transferred to Parliament House (some were also listed in asset registers of other cultural agencies).²¹

5.22 DPS also advised that there were some items 'pending' for de-accessioning in 2011, including:

- a glass plate and ceramic bowl that have been damaged beyond repair;
- three items that were identified as missing in the 2002 and 2004 stocktakes (one craft item, one photograph, and one furniture item); and
- a number of items that have been identified as highly suitable for transfer to the Museum of Australian Democracy at Old Parliament House. These items originate from Old Parliament House (and some are physically located there), and records suggest they were never intended for permanent transfer to the new Parliament House, but final decisions were held off until the ongoing status of Old Parliament House was resolved.²²

Management of assets outside the PHAC

5.23 DPS admitted that classifying and listing other items in Parliament House (apart from the PHAC) that may have heritage value 'has been an iterative process' and that the department has 'inherited responsibility for items that were not registered as assets, or items that were registered as assets but were very poorly described and controlled'.²³

5.24 DPS reported that, to date, it had generally used a definition of cultural and heritage assets as set out in the Finance Minister's Orders. However, DPS also recognised that there are other items that may have a cultural, heritage or historic value which do not fit this definition and a survey is underway to identify them. The results of the survey are discussed below.

Internal procedures and policies

5.25 The internal procedures and policies for managing non-PHAC assets were outlined by DPS in an answer to a question on notice:

DPS has asset accounting policies and procedures that comply with the *Financial Management and Accountability Act 1997* (FMA) and Regulations, the Finance Minister's Orders and the requirements of Australian Accounting Standards. Governance arrangements are set out in a range of documents including a set of DPS Chief Executive's Instructions

21 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4581.

22 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4581–82.

23 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4574.

(CEIs)...which underpin the internal financial management practices of DPS; and Chief Executive Procedures (CEPs), which expand and underlie some of the CEIs. There is a specific CEP (4.3)...governing disposal of public property.²⁴

5.26 DPS provided copies of the relevant documents as part of its answer. According to *CEI 4.5—Accounting for assets*, officials in DPS with responsibility for accounting for DPS assets must:

- maintain the DPS asset registers;
- determine methods for valuing departmental assets; and
- undertake regular stocktakes in accordance with the CEPs.²⁵

5.27 The commentary on this instruction states that 'the maintenance of departmental asset registers is an important element of being able to account for, and report on, the assets that DPS controls'.²⁶

5.28 DPS *Financial Paper No. 4—Chief Executive's Procedures (CEP) 4.3—Disposal of Public Property*²⁷ details the steps to be taken 'when items of public property are identified as obsolete, unserviceable, worn out or surplus to requirements and are proposed for disposal'.²⁸ This paper was reviewed following the recommendations of the Tonkin Review (see below). The following provides an overview of revised CEP 4.3.

5.29 CEP 4.3 outlines the disposal process including the stages of disposal and the designated official; responsibilities for each DPS employee engaged in the disposal process including the declaring official (the official responsible for assessing when an item is no longer required); the Assistant Secretary with custodial responsibility for the items; the disposals official and disposals administrator; disposal methods; and reconciliation of funds from the proceeds of the disposal.

5.30 The revised CEP 4.3 now includes information on special categories of items. If items proposed for disposal fall into these categories, additional action is required. These categories are:

- IT assets;
- heritage, cultural assets, artworks and/or furniture;
- items containing hazardous substances; and
- security items.

24 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4585.

25 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment U, p. 94.

26 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment U, p. 94.

27 *Financial Paper No. 4—Chief Executive's Procedures CEP 4.3—Disposal of public property*.

28 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment V, p. 2.

5.31 In the old CEP 4.3, a section on how to deal with heritage and cultural interest items was included and stated:

19. It is important to preserve items of genuine heritage and cultural value for future generations of Australians. When items with possible heritage or cultural value are declared surplus to requirements the "declaring official" must seek advice from Art Services Section AND the Strategy and Communication Section, as set out in paragraphs (a), (b) and (c) below to determine:

- a) if the item is listed on the Art Services' database and if so whether it needs to be returned to Art Services;
- b) if the item is not on the Art Services' database, the Strategy and Communication Section is to advise whether the item can be identified by design or any other permanent making as having Parliament House origin, or has any other cultural or heritage significance;
- c) if the item does have cultural or heritage significance the Disposal Administrator and the AS Corporate will consult with Art Services Section and Strategy and Communication Section to identify an appropriate future for the item. Options include:
 - i. retention within Parliament House; or
 - ii. lending of the item(s) on a long-term basis to an appropriate institution or donating/gifting the item(s); or
 - iii. returning the item(s) to the original designer/maker; or destruction; or
 - iv. seeking expressions of interest for either the reuse of the item(s) or sale through a public auction.²⁹

5.32 The revised CEP 4.3 now states in relation to heritage, cultural assets, artworks and/or furniture:

(b) *Heritage, cultural assets, artworks and/or furniture (excluding exempt items identified in the table at b(iv) below)*. When items with possible heritage or cultural value are declared surplus to requirements the Declaring Official must seek advice from Art Services Section AND the Strategy and Communication Section, as set out in sub-paragraphs (i), (ii) and (iii) below, to determine:

- (i) if the item is listed on the Art Services' Parliament House Art Collection (PHAC) database and if so whether it needs to be returned to Art Services;
- (ii) if the item is not on the PHAC database, the Strategy and Communication Section is to advise whether the item has any cultural or heritage significance;

(iii) if the item does have cultural or heritage significance the Disposals Administrator and the Assistant Secretary Corporate Services will consult with Art Services Section and Strategy and Communication Section to identify an appropriate future for the item. Options may include:

- retention within Parliament House; or
- lending of the items(s) on a long-term basis to an appropriate institution or donating/gifting the item(s); or
- returning the item(s) to the original designer/maker; or
- destruction; or
- seeking expressions of interest for either the reuse of item(s) or sale.

(iv) Categories of items exempt from Heritage Assessment are provided in the following table:

Exempted category	Exempted items
Generic Information Technology equipment	Computers, keyboards, monitors, laptops, printers, scanners, tap drivers, docking stations, toner cartridges, servers, racks, phones, PDA's, switches, and cables
Generic Audio Visual equipment	Televisions, Video/DVD recorders, Broadcasting monitors, racks, servers, cameras, lens, switches, radio protons, controllers, amplifiers, audio and video patch panels, (excluding items removed from areas of high significance, e.g. chambers)
Library Collection items	Journals, serials, magazines, monographs, DVDs, videos and maps
Melamine furniture	Chairs, desks, tables, cabinets, and bookcases.

5.33 Another internal paper, *Financial Paper No. 2—Accounting Policy 2.1 Property, Plant and Equipment and Intangibles* (last revised in March 2010), outlines the 'revaluation cycle' for DPS assets. DPS advised that valuations of its assets are conducted regularly 'by independent, appropriately qualified valuers' from the Australian Valuation Office.³⁰

5.34 The accounting policy paper discusses the valuation of heritage and cultural assets:

Valuation of heritage and cultural assets may raise particular measurement difficulties; however, the measurement principles for assets generally apply

30 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4585.

also to these assets. Some heritage and cultural assets may be unique, in that they cannot be replaced and there is no market evidence for their value. For such assets, it may be impossible to find a reliable value. Where no reliable value can be obtained for cultural or heritage assets, the notes to the financial statements will explain the reasons.

Other heritage and cultural assets will instead be representative, i.e. the asset is merely one of a type that is traded. In such cases, it should be possible to arrive at a reliable value based on market evidence. Where a reliable value can be ascribed to a heritage or cultural asset, that value will be included in the relevant asset class in the financial statements.³¹

Asset register

5.35 DPS maintains an asset register with items recorded under 17 specific asset classes:

Five of these classes relate to administered assets, one of which is the Cultural and Heritage class, where items that are determined as having cultural or heritage significance are recorded. All artworks in Parliament House are recorded in this class. Records are updated as required for: new acquisitions, retirements/disposals, revaluations and (through an asset movement advice form) a change to the location or the responsible person. Any discrepancies found in asset stocktakes are also accounted for in the asset register. The Australian National Audit Office (ANAO) performs audits on the asset ledger records and accounting controls in place every year as part of the interim and annual financial statements audits. There are some 6,000 Administered asset records and 6,000 Departmental asset records in the assets register.³²

Stocktakes

5.36 Stocktakes are conducted by DPS staff in accordance with *Financial Paper No. 2—Accounting Policy 2.1 Property, Plant and Equipment and Intangibles* and with *Financial Paper No.4—Chief Executive's Procedures CEP 4.5.1—Stocktaking Framework*. DPS advised that its internal auditor, WalterTurnbull, conducted an audit in May 2010 of DPS Financial Processing and Assets Stocktakes and noted that the audit had found that the 'method of stocktaking currently being undertaken (including asset barcoding and scanning) to be robust'.³³

5.37 Recent stocktakes have identified missing items including books from the Parliamentary Library stocktake for 2009–10, (six items with a total value of \$297 from 897 of 107,272 asset items sampled); a 'stocktake variance' of 852 items (total value \$8,588 out of a total value of \$225,000) in the Parliament Shop; five items of 180 Administered items sampled; of 11 items on personal issue missing in 2010 two

31 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, Attachment W, pp 10–11.

32 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4585.

33 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4586.

were found and nine were written off; and departmental assets of \$5,935 from the stocktake of 2009–10 were still missing and written-off.³⁴

5.38 DPS commented in relation to Administered items:

Often it is difficult to identify an Administered asset—particularly furniture—based on the descriptions of the asset, because different people may use different descriptions. We have now implemented a process for recording all new Administered furniture purchased. A photo of the item is linked to the asset record in the financial management information system to make it easier to identify the asset in the future.³⁵

5.39 In relation to items on personal issue, DPS noted:

As a result of the 2009–10 stocktake, procedures were changed and a more secure room with restricted access was selected for storing laptops. In addition, all laptop movements are documented in greater detail and every laptop is assigned to a position or officer, and must be signed for.³⁶

5.40 For IT assets, the July 2010 stocktake of 100 per cent of the 1,048 system assets identified no missing items.³⁷

5.41 DPS outlined the ways in which missing assets may be located including checking disposal forms and individual work areas. If the asset cannot be located at that time, the asset is then written-off in the financial management system.³⁸

Records of disposals of original Parliament House items

5.42 When asked whether the department could provide details of any original Parliament House items disposed of since 2000, DPS responded:

Asset information acquired from PHCA and maintained prior to 2004 by the former parliamentary departments is incomplete. This may be due to different accounting policies at that time. It may also be because we are not able to access old records because, in the majority of cases, the paper records have not been kept beyond the mandatory seven years retention period. In addition, we are not able to access the legacy Financial Management Information Systems that were used by the former departments. Available records show that, since 2000, the following original Parliament House items, which came from OPH, were gifted back to OPH:

- a) two billiard tables (2000) and
- b) a barber's chair (2009).³⁹

34 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4587–88.

35 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4588.

36 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4588.

37 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4588.

38 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4588.

39 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4588–89.

Furniture in Parliament House

5.43 The furniture in Parliament House is intended to reflect the design ethos and philosophy of Parliament House. The Parliament House Furniture Collection is classified into three classes, depending on where the furniture is located. 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. These areas will lend themselves to the accommodation of highly crafted, custom-made and specialised furniture item.⁴⁰

5.44 Status B 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.⁴¹

5.45 Furniture in Status C areas includes all items apart from those listed under Status A and Status B and in these areas, there are ready-manufactured items that provide a range of standard elements for loose furniture and furnishings within each area of similar status. Such office spaces within this classification are the House of Representatives Department office spaces, Senate Department office spaces, Parliamentary Library and other DPS office spaces. General office furniture under Status C is replaced as required for OHS and functional reasons, due to deterioration associated with age.⁴²

5.46 DPS outlined the 'known Status B and C furniture replacements' since 1988. Details on the outdoor Bertoia furniture are included under case studies later in the chapter.

Black Leather Lounges

Black Leather Lounges were replaced in two stages for a total cost of \$255,614. Stage one (2002-03) consisted for 65 lounges (60 single-seaters and 5 two-seaters). Stage two (2003-04) consisted of 32 Lounges (28 single-seaters and 4 two-seaters) at a final cost of \$83,512. The existing lounges were replaced because the leather and cushioning were in poor condition and in need of replacement.

Cabinet Suite Executive Chairs

A total of 64 chairs—36 high-back and 28 low-back chairs—were replaced in 2006, at a total cost of \$179,656. The Cabinet Suite flood in 2004 damaged many of the Cabinet Suite Executive Chairs. The remaining chairs were in poor condition and it was more cost effective to replace all of the chairs at the same time. \$94,315 was recovered from the insurance claim—leaving a cost to DPS of \$85,341.

MG 63 Meeting Room Chairs

40 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4589.

41 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4589.

42 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4589.

16 Wilkhahn committee room chairs were replaced in 2010, due to poor condition, notably the deterioration of the chair upholstery. They were replaced with 18 Wilkhahn chairs @ a total cost of \$51,700.

Status C furniture

From 2008–09, DPS spent \$735,862 on Status C furniture replacement in existing work areas...Workstations were replaced for either OHS or for functional reasons (ie where the functional role of an area had substantially changed). Chairs were replaced because they were worn out and where repair was not economical. The budget for 2011–12 is \$200,000.⁴³

Reviews of asset disposal and management policies in DPS

5.47 Following the May 2011–12 Budget Estimates hearings, DPS indicated that it was undertaking:

...an internal audit investigation into the disposal of two billiard tables; a review of asset disposal policies; and a survey to identify and assess items with potential heritage values (beyond the Parliament House Art Collection). These activities will supplement work that DPS had already commenced to finalise a Heritage Management Framework for Parliament House.⁴⁴

Internal audits

5.48 As noted in the committee's interim report, PriceWaterhouseCoopers (PwC) undertook two internal audits in relation to the sale of the billiard tables. The audit in relation to the disposal of the billiard tables pointed to a number of deficiencies in DPS disposal practices and found:

- under the disposal process in place at the time of disposal of the billiard tables, staff were required to discuss possible cultural and heritage value assets with Art Services to determine if the asset is on the Art Services database, and if so to seek advice from Art Services on the disposal. While Art Services were contacted before the disposal, as the billiard tables were not in the database, no further action on heritage was undertaken;
- DPS staff held a variety of views on how to define and manage Parliament House assets, in relation to their potential culture and heritage value; and
- weaknesses were found in DPS policies for the disposal of public property.

5.49 PwC recommendations included introduction of a policy to formalise DPS's stance on whether to advertise that items are from Parliament House; updating of the assets disposal policy to require valuations of unusual sale items prior to them being disposed of; and DPS should consider the use of specialised auction agents. PwC also made recommendations addressing documentation and policy weaknesses regarding disposals and addressing heritage issues.

43 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4589–90.

44 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4574.

5.50 In relation to addressing heritage issues, PwC recommended defining cultural and heritage value. It was also noted that some assets may not meet the definition of cultural or heritage, 'but could nevertheless be considered significant by sections of the community and a policy which guides their management, including disposal practices, should be developed'.⁴⁵

5.51 DPS agreed to all of the PwC recommendations which were to be implemented by June 2012. In particular, DPS stated that it was:

- undertaking a comprehensive review of disposal practices; and
- initiating a survey of Parliament House to identify further moveable items which may have cultural and heritage significance.⁴⁶

The Tonkin Review

5.52 A review of DPS asset disposal practices was initiated by DPS in response to the PwC internal audit recommendations and was completed by Mr Robert Tonkin in October 2011 (Tonkin Review). Building upon the audit investigation into the disposal of the billiard tables by PwC, this review examined:

...DPS disposal policies and practices, available better practice guidance on asset management and disposals, the definition of assets, the structure of delegations and authorisations in relation to disposal, existing instructions and procedures, mechanisms for disposal, the disclosure/non-disclosure of the provenance of items and staff training and skills requirements.⁴⁷

5.53 The review noted that since the Senate Estimates hearings of February and May 2011 and the subsequent internal audit report, there had been 'improvements in the overall departmental procedures' in managing asset disposals. However, the review identified a remaining 'need for further clarification and improvement of departmental asset management and disposal policies and procedures'.⁴⁸

5.54 Overall, the report concluded that DPS's asset disposal process should be 'clear, accountable and efficient' and proposed a number of improvements to current processes.⁴⁹

45 PricewaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011.

46 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2010–11, Department of Parliamentary Services, *Answer to question on notice No. 60*. Contains full list of recommendations and DPS response.

47 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 4.

48 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 4.

49 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 4.

Issues arising from the PwC audit

5.55 The Tonkin review acknowledged that DPS had already taken measures to strengthen its asset disposal practices, including the following:

- A draft amendment to CEP 4.3 – *Disposal of public property* has been prepared by the Department to clarify the roles of the various officers involved in the disposals process and to include additional safeguards to assess the heritage and cultural significance of items proposed for disposal.
- The *Declaration of surplus or unserviceable items form* has been revised to include a requirement that where items with possible heritage or cultural value are declared surplus, such items must be assessed by the Strategy and Communications Section in advance of any final disposal decision.
- The development of a Parliament House Heritage Management Framework that was distributed in draft form for consultation in June 2011.
- The conduct of a preliminary survey to identify moveable and semi-moveable items that have some heritage or historical connection and are not already managed as part of the Parliament House Art Collection group of cultural and heritage items.⁵⁰

5.56 Despite these improvements, the review also highlighted a number of remaining weaknesses, particularly the reliance upon individual staff members' judgment when discerning a need to consider an item's heritage significance:

The revised departmental disposal procedures continue to rely on the judgement of the individual members of staff proposing a disposal that a particular item may have cultural or heritage significance. It is this judgement that triggers the consideration of the possible heritage or cultural significance of the item. In addition, no definition of heritage or guidelines for the conduct of any initial assessment of such significance is provided.⁵¹

5.57 To address this deficiency, the Tonkin review called for:

- a clear definition of heritage or cultural significance that is available to and understandable by all DPS staff; and

50 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 5.

51 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 5.

- a comprehensive database of all assets and items of significance that will automatically prompt the consideration of heritage and cultural significance issues when an item on that database is being proposed for disposal.⁵²

5.58 The review also found that the legislative authority of various DPS instructions and procedures lacked clarity, particularly Governance Paper No 1 and Financial Paper No 1.⁵³

5.59 Regarding asset management, the review identified some significant limitations to DPS practice, summarised as follows:

- An undetermined but potentially significant number of (generally) movable items within Parliament House are not on any asset register or are not controlled in any way.
- The lack of one asset database for the whole building (including Senate and House of Representatives but excluding tenancy areas) is a serious control shortcoming.
- The financial accounting definition of "assets" is a source of confusion, particularly in relation to the control and disposal of significant or portable or attractive items that fall below the asset threshold.
- Staff perception and awareness is the only current effective safeguard against a repeat of the billiard table issue for any presently uncontrolled or unrecorded item.⁵⁴

5.60 The review recommended that the department ensure the inclusion in its asset management arrangements of 'all items, regardless of value, that have already been classified as being of heritage or cultural significance' as well as those that 'might be judged to potentially be in that category'. A further recommendation was for a 'consistent heritage assessment process' to be established to determine which items should be recorded on the new database.⁵⁵

5.61 The lack of a common asset database across parliamentary departments was also raised as a potential risk to proper asset management including loss of items. The review therefore recommended that DPS consult with the Chamber departments to

52 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 5.

53 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 6.

54 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 6.

55 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 6.

determine whether a common policy and set of procedures and databases would be worth establishing to mitigate the risks of items being lost or moved.⁵⁶

5.62 The final recommendation relating to asset management was that the coverage of the Art Services database should be retitled as the 'Arts and Heritage database' and that it include all items of cultural or heritage significance under the control or responsibility of DPS. The department agreed in-principle to this recommendation, noting that it was still considering whether to establish a new stand-alone database 'which records heritage attributes and also allows other important data to be recorded'.⁵⁷

Asset disposal

5.63 The review found that DPS's current procedures for asset disposal were 'somewhat unclear':

...particularly in terms of the sequence of decision making when an item is declared surplus, the respective responsibilities of the various officers involved in the process, the documentation of reasons for proposals and decisions at each stage of the process, and heritage considerations.⁵⁸

5.64 In relation to asset valuation, the review found:

In most instances of proposed disposal by sale, the current asset valuation of the item may provide a suitable reserve price. However, where an item may be of particular significance than an independent valuation to determine an appropriate reserve price would be desirable.

The disposals form needs to be sufficiently detailed to provide guidance on the overall disposal process and to require the provision of sufficient information to inform and support disposal decisions.⁵⁹

5.65 Two recommendations were made with a view to improving asset disposal:

- that the *Declaration of Surplus or Unserviceable Items Form* be revised to include guidance on 'the required sequence of disposal actions and decisions, and the required documentation of reasons for recommendations and decisions'; and

56 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 7.

57 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 7.

58 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 7.

59 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 7.

- that CEP 4.3 – *Disposal of public property* paper be revised to 'reflect best practice in asset disposal and to clearly and comprehensively detail the asset disposal process'.⁶⁰

Disclosure of the provenance of items for disposal

5.66 The review supported the disclosure of the provenance of items for sale from Parliament House stating that:

Where the disclosure of the Parliament House origin or provenance of an item for sale is likely to result in an increase in the realisable return from the sale of that item, and the disclosure would not be detrimental to the interests of the Department, then disclosure of the Parliament House origin provenance of the item is supported. In the case of the Department of Parliamentary Services, such items are most likely to be furniture and fittings or items approved for de-accessioning from the Parliament House Art Collection.⁶¹

5.67 The review recommended that the DPS procedures for the disposal of public property be amended to require the disclosure of provenance.⁶²

5.68 The review's final recommendation was for additional training and awareness programs to be developed to underpin the revised asset management, disposal and heritage assessment procedures.⁶³

Preliminary survey of items of possible heritage value

5.69 On 20 September 2011, DPS provided to the committee a copy of a preliminary survey of 'moveable and semi-moveable items' of possible heritage value not already managed as part of the PHAC group of cultural and heritage assets.

5.70 The scope of the survey was described in the departmental minute to the Secretary of DPS:

The focus of this preliminary survey was on items located within DPS work areas, or in the control of DPS staff. The Chamber Departments have not been approached about items of significance in their control; however, we consider it highly likely that significant Parliament House heritage material will also be held by those departments.

60 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 7.

61 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 7–8.

62 Department of Parliamentary Services, Additional Information dated 11 October 2011, Attachment B, Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, p. 8.

63 Mr Robert Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011, Attachment B, p. 8, Additional information provided by DPS, dated 11 October 2011.

Virtually all areas of DPS yielded some items that merited listing.

Items were identified across a range of different media/material types, including photographs; documents; architectural material (drawings/models); technology/tools/equipment; furniture; artwork; plants, samples (e.g. building fabric); uniforms and ephemera.⁶⁴

5.71 The minute also advised that a 'Significance Methodology' (recognised by the Department of Sustainability, Environment, Water Pollution and Communities) was used when surveying items; however, it was noted that the 'significance criteria have been used as guiding principles only' and that detailed assessments of significance had not been conducted.⁶⁵

List of 'new' items

5.72 The survey initially uncovered 170 'new' items. Some of the items identified were said to 'clearly warrant classification as cultural and heritage assets' and required the 'imposition of more rigorous control and management systems' similar to those used for the PHAC.⁶⁶

5.73 The minute noted that four categories had been developed for an 'indicative grading' for items in the preliminary survey: highly significant; significant; items of interest; and flagging for future attention.

5.74 In summary, there were 22 highly significant items found including silver ceremonial spades used for sod turning; 53 significant items found including a set of carpet design drawings; 71 items of interest found including teak outdoor furniture benches; and 16 items for future attention found including recording machines used in the Chambers.

5.75 At the committee's hearing of 30 October, Ms Carol Mills, Secretary, DPS, commented on the new items and observed that some are 'absolutely heritage items' but had not been included on any asset register because their value was less than \$5,000. Other items required review to ensure that they fell within the criteria. An independent consultant will review and validate the list. In addition, the consultant will undertake work for the Chamber departments in relation to items of a cultural or heritage nature that they hold.⁶⁷

64 Department of Parliamentary Services, Additional Information dated 20 September 2011, Attachment 2, Ms Judy Tahapehi and Ms Kylie Scroope, 'Identification of heritage assets for Parliament House (DPS)', 30 August 2011, p. 1.

65 Department of Parliamentary Services, Additional Information dated 20 September 2011, Attachment 2, Ms Judy Tahapehi and Ms Kylie Scroope, 'Identification of heritage assets for Parliament House (DPS)', 30 August 2011, p. 1.

66 Department of Parliamentary Services, Additional Information dated 20 September 2011, Attachment 2, Ms Judy Tahapehi and Ms Kylie Scroope, 'Identification of heritage assets for Parliament House (DPS)', 30 August 2011, p. 1. See also Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 9.

67 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, pp 9–10.

Recommendations from the survey

5.76 As a result of the survey, it was recommended that DPS undertake the following actions:

- a) create a comprehensive definition for items associated with Parliament House that have cultural and heritage significance;
- b) catalogue the works listed in appendix B [of the minute];
- c) photograph each item to form part of the above mentioned catalogue;
- d) advise all DPS asset custodians...of the heritage items they are responsible for and their requirement to protect them;
- e) advise all DPS asset custodians of the requirement to consult with our heritage specialist before any action to dispose of the item;
- f) Art Services Section should assess if any of the identified items listed...should be transferred to the Parliament House Art Collection or possible other institutes such as OPH;
- g) ensure the catalogue has information about maintenance/preservation; and
- h) develop a clearer policy or process to update the cultural and heritage register as items;
 - i. are acquired;
 - ii. gain heritage significance as a result of events in and around Parliament;
 - iii. are moved or disposed (including method of disposal), and including standard stocking procedures.⁶⁸

Implementation of the recommendations of the Tonkin Review

5.77 In September 2012, Ms Mills indicated that the majority of the recommendations of the Tonkin review had been fully implemented by DPS including training to support the revised asset recognition procedures for items that may have heritage value.

5.78 Ms Mills also stated that she is continuing to closely monitor the implementation of all outstanding actions from the review. In relation to the preliminary survey of items, Ms Mills indicated that a draft procedure for identifying and recording heritage items had been reviewed by heritage management staff of Old Parliament House, the Department of Sustainability, Environment, Water, Population and Communities and the Department of Finance and Deregulation. Ms Mills also

68 Department of Parliamentary Services, Additional Information dated 20 September 2011, Attachment 2, Ms Judy Tahapehi and Ms Kylie Scroope, 'Identification of heritage assets for Parliament House (DPS)', 30 August 2011, pp 2–3.

commented that DPS was holding discussions with the Departments of the Senate and House of Representatives to develop a common heritage policy and procedures.⁶⁹

5.79 As noted above, *Financial Paper No. 4—Chief Executive's Procedures CEP 4.3—Disposal of public property* has been revised following the Tonkin Review. The new procedure clarifies the responsibilities of all staff engaged in each step of the disposal process. It also now makes clear the requirements in relation to items not on the PHAC database including those that may have heritage or cultural value.⁷⁰

5.80 Ms Mills also provided the committee with an overview of changes to disposal practices and noted that work had been undertaken to provide a much more robust process of decision making that draws on the recommendations of the Tonkin Review, a more rigorous assessment of officers who have delegation to make decisions, and a process of training those staff. As an example of the changed practices, Ms Mills pointed to the recent disposal process of equipment undertaken as part of the Parliamentary Library refurbishment project: some items were retained because the heritage assessment indicated their value; some were retained in the building but in a different location; and some were disposed of as being surplus to need.⁷¹

Case studies of disposal of Parliament House assets

5.81 The committee has already addressed the disposal of the billiard tables in its interim report. However, there are a number of other disposal processes which were also brought to the committee's attention. For example, Mr Romaldo Giurgola told the committee that there were instances where 'specially designed and procured lifetime furniture' has been decommissioned including terracotta planters and custom light fittings with some being sold.⁷² Mr Hal Guida also reported that on several occasions he had received emails from people who recognised items from the building in the rubbish. He detailed two instances that had occurred in 2011 involving a door pull specifically designed for Parliament House and a light fixture from the Staff Dining Room. In such cases he indicated that he passed the information to DPS. Mr Guida noted that DPS has responded positively and assured him that every effort was being made to address the issue.⁷³

5.82 Below are some examples of case studies regarding disposal of assets raised in evidence. Comments related to the disposal of fixtures and fittings from Parliament House are discussed in chapter 4.

69 Ms Carol Mills, Secretary, Department of Parliamentary Services, letter to the committee dated 6 September 2012; see also Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 11.

70 *Financial Paper No. 4—Chief Executive's Procedures CEP 4.3—Disposal of public property*, p. 5.

71 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 11.

72 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 2.

73 Mr Hal Guida, *Committee Hansard*, 16 November 2011, p. 12.

Original outdoor furniture

5.83 In an answer to a question on notice, DPS provided details about the original outdoor furniture at Parliament House, which consisted of:

- two styles of Bertoia chairs (in the courtyards and on balconies);
- metal-legged jarrah tables (in the courtyards and on the balconies);
- jarrah benches (near the tennis courts); and
- teak benches—gift of the Burmese Government and People (on the Queen's Terrace).⁷⁴

5.84 The Parliament House Construction Authority (PHCA) had purchased 466 Bertoia plastic coated chairs:

There were two types of chair—the Side (dining) Chair and the Diamond (lounge) Chair. Bertoia chairs had been standard furniture items manufactured by Knoll Inc. of the USA. The chairs purchased by the PHCA were made in Australia by George Pockett and Sons (under licence from Knoll Inc). They each cost \$185.60 and \$241.60, respectively, according to PHCA records.⁷⁵

5.85 The original chairs underwent rejuvenation in 1994 as it was found that the plastic feet on the bottom of the chairs was wearing through damaging the plastic coating and allowing weather to penetrate and rust the wire. There was also inadequate fixing of the seat mounts resulted in fracturing of the plastic causing further rusting. The Joint House Department (JHD) had sought to replace the wire chairs with a more serviceable chair. However, JHD stated:

...after researching the market place, it became apparent the only outdoor chair available was a bulky design, which when grouped together gave a visual impression of a 'sea' of white or grey chairs. This was clearly not the intention of the PHCA when designing outdoor furniture. It was obvious that the wire design was selected as a practical soft design.⁷⁶

5.86 JHD therefore repaired the chairs rather than replace them. A further 300 Bertoia chairs were purchased in March 2000, bringing the total number of Bertoia chairs acquired to 766.⁷⁷

5.87 DPS indicated that 107 chairs were destroyed in March 2000.⁷⁸ DPS also sought to replace the Bertoia chairs during 2004–05 as much of the old outdoor

74 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4592.

75 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4592.

76 Department of Parliamentary Services, *Answer to question on notice No D*, dated 26 April 2012, Attachment P, Joint House Department, *Note for file*, dated 15 December 1993.

77 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No 53*.

78 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No 53*.

furniture presented safety concerns as well as being expensive to maintain.⁷⁹ However, the tender process did not identify a product that satisfied requirements. An inspection of the chairs in May 2005 found that 170 of the chairs were in poor condition and required immediate replacement or removal from services, 140 were in poor to average condition and the remaining 85 were in good condition.⁸⁰ It was recommended that a complete replacement of the chairs be undertaken:

...and a value for money outcomes will be achieved by replacement of the group of 400 outdoor chairs in one procurement process by either:

(a) the purchase of the complete group of 400 chairs. As some other projects planned for 2005–06 have not been approved we have uncommitted administered funds to fund the purchase; or

(b) a standing offer arrangement staged to purchase the chairs as required.⁸¹

5.88 DPS provided the following details of the disposal of the Bertioia chairs:

A total of 245 Bertioia outdoor chairs have been sold; 198 were destroyed. The 245 chairs were sold because, even though they were still stable, their condition was deteriorating (specifically, they had elements of rust and some of the plastic coating had come off). The 198 were destroyed because they were assessed as unstable and unsafe; specifically, they had large amounts of rust, and/or their frames and/or joints were broken.

June 2008 sale of 42 chairs realised \$154.

January 2009 sale of 92 chairs realised \$625.

March 2009 sale of 13 chairs realised \$43.

July 2009 sale of 27 chairs realised \$600.

March 2011 sale of 29 Side chair realised \$873.

March 2011 sale of 19 Diamond chairs realised \$1,514.

June 2011 sale of 3 chairs realised \$78.⁸²

5.89 The committee notes that the vendor remittances provided by DPS show that the lots were listed as 'outdoor chairs'.⁸³

5.90 DPS advised that the Bertioia chairs had not been listed as heritage and cultural assets and that no heritage assessment had been undertaken before disposal. Nor were any valuations performed on these items as they had not been included on

79 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4592.

80 Department of Parliamentary Services, *Answer to question on notice No D*, dated 26 April 2012, Attachment S.

81 Department of Parliamentary Services, *Answer to question on notice No D*, dated 26 April 2012, Attachment S.

82 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4593.

83 Department of Parliamentary Services, *Answer to question on notice No D*, dated 26 April 2012, Attachments K–O.

the asset register. The chairs were not recorded on the asset register of the former JHD and as such were not transferred to the DPS asset register. However, DPS also stated that it was satisfied 'value for money was achieved' for the chairs that had been sold by public online auction (using Dola On-line Auctions and AllBids auction houses). DPS also advised that no reserve was set for the items put up for sale.⁸⁴

5.91 The identity of the purchasers of the chairs was not provided to DPS. However, DPS said that 'it is understood that a former DPS staff member had purchased several of the chairs'.⁸⁵

5.92 Regarding those items of furniture that have been retained, DPS stated:

DPS has retained one Diamond (lounge) chair and 23 Bertioia Side (dining) chairs. The one Diamond chair and 16 of the Side chairs are now held in the Furniture Store. These have been kept as part of the furniture collection to reference the original design of the chairs. Another five Side chairs are in use on a Senate tearoom balcony and two weathered Side chairs are located in the Gardeners compound. The original jarrah tables and benches remain in use (courtyards, balconies and/or near tennis courts), as do the teak benches on the Queen's Terrace.⁸⁶

5.93 DPS also provided details of new outdoor furniture that had been acquired:

In November 2007, 370 outdoor Hee Hay dining chairs and 30 outdoor Hee Hay lounge chairs were purchased to replace the Bertioia chairs, for a total price of \$106,470. These chairs were selected as they matched the evaluation criteria well and were significantly cheaper than other short-listed proposals.⁸⁷

5.94 The committee also notes the comments in an email of 8 December 2006 relaying the DPS Finance committee approval to purchase new chairs. The Finance committee 'considered that there was no need for the chairs to be identical to the current chairs. The SOR should be rewritten to allow for minor differences'.⁸⁸

5.95 Submitters raising the issue of the sale of the Bertioia chairs pointed to the value of original chairs and suggested to the committee that single chairs from Parliament House now sell on the open market for \$250 each.⁸⁹

5.96 The committee also notes that in the replacement process undertaken by DPS there appears to have been no consideration of the 'visual impression' and the intentions of the PHCA as JHD had done in 1993 when the decision was made to

84 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4592–93.

85 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4592.

86 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4592.

87 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4592.

88 Department of Parliamentary Services, *Answer to question on notice No D*, dated 26 April 2012, Attachment W.

89 *Confidential submission*.

rejuvenate the original chairs rather than replace them with bulky outdoor furniture which was then on the market.

Terracotta pots

5.97 Terracotta pot plant holders were located throughout Parliament House. In early 2010 the pot plant holders were removed from all parliamentarians' offices and DPS offices. DPS indicated that this arose as a cost saving measure in relation to potted plants with DPS saving approximately \$120,000 per year.⁹⁰ Some 719 pots were removed from parliamentarians' offices and are being stored in various areas in the building and in the Landscape Services area.⁹¹

5.98 DPS provided further information which indicated that 22 terracotta pots were being maintained in the public areas of the building. 184 pots were being maintained in the private areas including the Members' Guests Dining Room, Staff Dining Room and circulation areas not accessible to the public.⁹²

5.99 DPS indicated that the total values listed for the original terracotta pots in the PHCA Register of Furniture for New Parliament House is \$234,928. The terracotta pots were not recorded on the asset register as transferred to DPS in accordance with the accounting policy of the former JHD. DPS went on to state that as the pots are not on the DPS assets register, no valuation has been made.⁹³

5.100 At that time of the removal of the pots, it was suggested that it was proposed to dispose of the pots. Witnesses expressed concern at the possible sale of the pots. At the committee's 2011 hearing, Ms Pamille Berg took the opportunity to explain the history of the terracotta planter pots throughout Parliament House:

Each of you know when you walk through the Members Hall that there are the four huge pots that sit in the corner. They were commissioned through the art program as a special commission to a ceramicist named Cameron Williams, who at that time as an AFL footballer was the only person in Australia who had long enough arms to be able to raise pots nearly a metre-and-a-half high. They are by themselves a remarkable feat. Those were protected under the art program and have continued to be known and protected under the art collection. Cameron was also commissioned through the furniture program to specially design and hand fabricate hundreds upon hundreds of the terracotta planters that are used in the seating groups. They came from the same person, they were designed for the building and had the same care and the same quality. But because those were seen as part of a procurement process they have not had the degree of protection that the

90 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 8 February 2010, p. 30.

91 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4593; see also Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 10.

92 Senate Finance and Public Administration Legislation Committee, *Additional Estimates 2009–10*, Department of Parliamentary Services, *Answer to question on notice*, No. P13.

93 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4593–94.

items that were actually commissioned under the art program did, even though it was the same person who did this similar quality of work. That is where the knowledge of the accomplishments of hundreds and thousands of people in this building needs to underpin those decisions about, 'What can you get rid of? What should you get rid of? What should you save?' As Aldo says, simply trying to understand things as heritage requirements is not a way that is going to pick up those kinds of fundamental issues.⁹⁴

5.101 However, DPS commented that there has been no program to dispose of the terracotta pots and DPS had no record of any disposal. However, DPS also commented that there are several hundred pots and it was possible that one or two have been broken and scrapped over the years.⁹⁵

5.102 DPS supplied further information to the committee in October 2011:

In June 2011, Senator Faulkner lodged a series of questions on notice about various items and assets around the building (QoN 682). One set of issues related to terracotta pots (682(b)). We provided answers to these questions, based upon the knowledge that we had available at the time. In recent weeks, DPS has become aware that some terracotta pots may have been disposed of via public auction around 1995/1996 by the Joint House Department.

While we can find no record of the transaction, we have become aware that the Parliament House Construction Authority originally acquired around 1,300 pots.

Current DPS records indicate that we have around 900. The estimated date of disposal is based upon information provided by former staff members.⁹⁶

5.103 This matter was also explored at the committee's hearing in October 2012. Ms Mills stated that the terracotta pots were now included on the list of new items of cultural or heritage interest. Ms Mills also provided the following information in response to questions about whether there was any record of a proposed sale of the terracotta pots:

Anecdotal advice from former employees indicates that some terracotta pots had been disposed of during the time of the former Joint House Department.

In addition, in late 2009, DPS explored options for the large number of terracotta pots in store. One option was disposing of some of the pots. Mr Thompson alluded to this at the Additional Estimates hearing on 8 February 2010 (F&PA p.34).

Senator FERGUSON—...So what is going to happen to the pots eventually? Are you just storing them?

94 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 9.

95 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4593.

96 Department of Parliamentary Services, Additional Information, dated 11 October 2011, p. 2.

Mr Thompson—At the moment they are in store. I think from our perspective we were going to then try to assess the future budget outlook for DPS on behalf of the parliament and once that had become clearer, one way or the other, then we might well look at a path towards disposal.

The former Secretary decided to retain all the pots then in use or in store.⁹⁷

Furniture from the former staff recreation room

5.104 As described in an earlier chapter, the two billiard tables that were sold through an online auction site came from the former staff recreation room. DPS provided details concerning the other furniture, fixtures and fittings from that room:

- i. pool table: sold at auction.
- ii. ping pong tables: one relocated to Health and Recreation Centre, and one in storage.
- iii. dartboard and cupboard: relocated to DPS Building Fabrics Services (BFS) for storage and future reuse in APH.
- iv. trophy cabinet and trophies – cabinet brass: returned to DPS BFS for future reuse in APH (spares); medium density fibreboard carcass and glass: disposed to scrap; trophies: returned to DPS BFS for storage.
- v. piano: relocated to childcare centre for use with the children
- vi. tables: relocated to furniture store for storage and future reuse in APH
- vii. chairs: relocated to furniture store for storage and future reuse in APH.
- viii. light fixtures—down lights: reinstalled in Staff Dining Room; pendant lights: 4 x returned to DPS Electrical for future reuse in APH (spares), 1 x returned to DPS Building Information for records, 16 x disposed to scrap.⁹⁸
- ix. carpet: Staff Dining Room: most carpet retained in place; but, where replaced with parquetry, the carpet was disposed to landfill (being too worn for re-use). Staff Recreation Room: disposed to landfill (being too worn for re-use).
- x. accessories: Snooker Table rules: relocated to NG 61 (new office area that incorporates former Staff Recreation Room) to be hung on wall.

5.105 DPS also provided a list of other items either disposed of (for example, MDF skirting) or retained for future use (for example, brass skirting board trim, cupboard and door hardware, clocks).⁹⁹

97 Department of Parliamentary Services, *Answer to question on notice No. 3*, dated 12 November 2012.

98 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4578.

99 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, pp 4578–49.

5.106 In response to a question about whether any of the items disposed of had undergone any heritage assessment, or whether any significance or expert advice was obtained before disposal, DPS advised, at August 2011:

The existing internal guidelines for DPS in CEP 4.3 make provision for consultation with DPS Art Services before disposal of any items with possible cultural and heritage values. However, none of the subject items for disposal were listed in the cultural and heritage asset class in the DPS asset registers.¹⁰⁰

Committee comments

5.107 The committee welcomes the changes made to DPS's asset management and disposal practices and notes the new Secretary's interest in progressing all the recommendations made in the PriceWaterhouseCooper and Tonkin reviews. It is unfortunate that these changes have been made only as a consequence of the very costly reviews undertaken following the exposure of the sale of the billiard tables. Had that unsavoury episode not been exposed, the committee questions how long inadequate disposal processes would have continued in DPS and how many more Parliament House assets of potential cultural or heritage value would have been lost.

5.108 It is not only the loss of the assets that is a major concern, but also the sale of items without adequate assessment of their true value with the sale of the Bertioia chairs being a case in point. DPS stated that value for money had been received. The committee acknowledges that many of the chairs appeared to have sustained significant wear and tear. However, without the chairs being listed showing their provenance, and without the chairs being listed as original Bertioia chairs, the committee considers that DPS was in no position to be able to state that value for money was received. The committee also notes that the Parliament House collection was possibly the largest single collection of Bertioia chairs in the world. Indeed, the Power House Museum has only two original Bertioia chairs.

5.109 Another matter of concern is that the Bertioia chairs were classified as 'global furniture', that is, status B furniture.¹⁰¹ The Parliament House Heritage Management Framework notes that this is 'important, high-quality furniture'.¹⁰² It appears that the replacement of important outdoor furniture was undertaken with more regard to cost than design integrity.

5.110 The committee also points to the difference in approaches of JHD and DPS in the consideration of the replacement of the outdoor furniture: JHD took into account the 'visual impression' and the intentions of the PHCA, while DPS appears only to have been interested that the replacement chairs matching the evaluation criteria well and were significantly cheaper than other short-listed proposals.

100 *Senate Hansard*, 16 August 2011, Question on Notice No. 682, p. 4579.

101 Status B are primarily part of the Global Furniture Collection though some Status A items fall under this level of classification. *Parliament House Office Furniture Style Guide*, p. 7.

102 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, p. 45.

5.111 In relation to the terracotta pots, the committee acknowledges that they were not sold and most are now in storage. While the committee welcomes this outcome, it may have been only timely questioning during the committee's estimates hearings that prevented the pots from being sold by DPS.

5.112 The disposal of items with possible heritage and cultural significance appears to have been a distressingly all too frequent occurrence under DPS's stewardship of parliamentary assets. The committee considers that the processes put in place following the Tonkin Review will significantly improve asset management within DPS. However, the committee believes that there is still some further work to be undertaken in relation to disposal practices and the recording of heritage and cultural assets in Parliament House. The committee looks to the new leadership of DPS to continue to progress this matter.

Chapter 6

Security of Parliament House

Introduction

6.1 The security arrangements at Parliament House have been an issue of significant interest to parliamentarians and have been examined a number of times during the committee's estimates hearings. Concerns have been raised about the effectiveness and management of security, notably the serious breach which occurred during a media conference being held by the Prime Minister in August 2012.

6.2 The following discussion canvasses changes to security arrangements at Parliament House, and issues canvassed at estimates and in evidence received during the inquiry.

Security arrangements at Parliament House

6.3 The Presiding Officers are jointly responsible for the security of the parliamentary precincts as a whole under the *Parliamentary Precincts Act 1988*. In relation to the Ministerial Wing, the Presiding Officers' powers and functions are subject to any limitations and conditions agreed between the Presiding Officers and the relevant Minister.¹

6.4 The external security at Parliament House is provided by the Australia Federal Police Protection section (AFP-UP). The AFP-UP provide a constant presence of mobile and static patrols as well as security for the Prime Minister's Suite and the Cabinet Suite.

6.5 The Parliamentary Security Service (PSS) provide internal security through access control and security screening at entrance points as well as a mobile and static presence throughout the building including the chambers and the public galleries. Internal and external security is supported by closed-circuit television (CCTV) and a variety of electronic systems. The PSS also provide security for functions, official visits and other significant activities.²

6.6 Until 2003–04, responsibility for the security function was divided between the Senate and the House of Representatives with funding for security also shared equally between the two chamber departments. Under this arrangement, the Security Controller was responsible for the overall coordination of security arrangements within the precincts in consultation with the Usher of the Black Rod and the Serjeant-at-Arms. From 1992, the Security Controller was a senior AFP officer.

6.7 Following a security review undertaken in 2000–01, the Presiding Officers agreed to the establishment of a Security Management Board (SMB). The membership consisted of the Secretary of the Joint House Department, Usher of the Black Rod, the

1 *Parliamentary Precincts Act 1988*, section 6.

2 Department of Parliamentary Services, *Annual Report 2010–11*, p. 8.

Serjeant-at-Arms and the Parliamentary Security Controller with a representative of the Special Minister of State for Ministerial Wing issues. The SMB's responsibilities included provision of advice on security matters; development of a five-year strategic plan to address parliamentary security issues; and, development of an annual action plan from the strategic plan and work cooperatively to achieve the plan.³

6.8 As part of the review by the Parliamentary Service Commissioner of aspects of the administration of the Parliament (Podger Review), the security function was considered. The Podger Review found the security governance arrangements 'complex and confounded'. It was noted that until the establishment of the SMB, the Presiding Officers had no dedicated source within Parliament House of strategic policy and planning advice on security issues. In addition, it was reported that there was no long-term strategic security plan and little capacity to address strategic security issues. Management of the security function was found to be fragmented and responsibilities and accountabilities 'dispersed and diffused'. It was noted that the SMB had no decision-making authority, no budget-management role, no secretariat support and no dedicated management resource to advise on strategic and planning issues.⁴

6.9 As part of the Podger Review, a high-level protective risk assessment of the operational security arrangements for the parliamentary precincts was commissioned. Following consideration of options put forward as a result of the assessment, the Podger Review recommended that a centralised security organisation be created in the amalgamated parliamentary services department.⁵

6.10 On 4 August 2003, the security function was transferred to the Joint House Department. Following implementation of the Podger Review, the security function was transferred to the Department of Parliamentary Services on 1 February 2004. In 2005, the *Parliamentary Service Act 1999* was amended to provide for the continuation of the SMB. The function of the SMB is to provide advice, as required, to the Presiding Officers on security policy, and the management of security measures for Parliament House. Membership of the SMB is now established as the Secretary of DPS, an employee of the Senate (the Usher of the Black Rod), an employee of the House of Representatives (the Serjeant-at-Arms), and an employee of the Parliamentary Budget Office. In addition, the SMB may invite representatives of organisations involved in the development of security policy and provision of security services to attend meetings.

6.11 In 2005, the Australian National Audit Office (ANAO) reviewed the implementation of the resolutions arising from the Podger Review. The ANAO observed an improvement in the management and coordination of security services following the establishment of the SMB as a permanent body and the centralisation of

3 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, pp 11–12.

4 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, pp 3, 14–16.

5 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 23.

the security function within DPS. The ANAO also noted that the SMB has an overarching management role in the formulation of policies and procedures and in the monitoring of key aspects of service provision. In addition, the SMB has sought expert advice to assist the formulation of changes or enhancements to security arrangements and security experts could attend SMB meetings.⁶

6.12 The ANAO commented on the provision of a security strategic plan for Parliament House. It was noted that while the Podger Review suggested the development of a plan, this was not part of the parliamentary resolutions at the time of the establishment of DPS and the SMB had not undertaken this task. The ANAO stated that it considered the 'development of a strategic plan to be an important step that would assist DPS in effectively managing Parliament House security'.⁷ The Parliament House Security Strategic Plan 2009–14 was approved during 2008–09 and a Security Action Plan was developed. The Action Plan outlines priorities for future security infrastructure investments.⁸

Security budget

6.13 The DPS annual report provides staff costs for the PSS and AFP-UP as well as direct costs of Pass Office operations. The following table provides the security sub-program costs for 2005–06 to 2011–12.

Table 6.1: Security services subprogram 2.1 – 2005–06 to 2011–12

Service	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12
PSS	\$8.37m	\$10.44m	\$10.59m	\$11.70m	\$11.661m	\$12.060m	\$13.232m
AFP-UP	\$9.98m	\$10.07m	\$10.48m	\$10.48m	\$10.213m	\$10.303m	\$10.298m
Additional guarding PSS*	NA	NA	\$365,903	\$350,359	\$417,574	\$382,592	Now included with PSS
Additional costs for official visits	NA	NA	NA	\$31,404	\$4,349	\$0	Now included with PSS & AFP
Pass office operations	NA	\$221,994	\$210,223	\$165,910	\$151,476	\$149,330	\$149,101
Costs of security sub program	\$30.26m	\$29.64m	\$29.875m	\$32.447m	\$29.799m	\$30.562m	\$34.067m

*Addition PSS guarding for non-parliamentary and parliamentary functions

Source: DPS Annual Reports, 2005–06 to 2011–12

6 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, p. 33.

7 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, p. 31.

8 Department of Parliamentary Services, *Annual Report 2008–09*, p. 20.

6.14 Costs for security are affected by the number of days of sitting and, to a lesser extent, the number of functions held in Parliament House. In addition, DPS noted that it pays for AFP-UP services but has little or no control over those costs. For example, at the May 2009 Budget Estimates DPS stated that the AFP had advised DPS that the cost of providing protection at Parliament House would increase by 15.8 per cent, approximately \$1.6 million.⁹

6.15 Significant expenditure on security infrastructure has been undertaken. For example, in 2005–06 the security enhancement of the perimeter was completed. The cost of the project was \$11.5 million and included construction of security barriers, the installation of bollards, seismic detectors and blast mitigation measures for Ministerial Wing windows facing the Ministerial Wing car park. In 2010–11, additional funding of \$18.3 million with a further \$3 million provided over four years was received by DPS for related security expenses.¹⁰ In the 2011–12 Budget, in recognition of costs of additional staffing, Hansard, broadcasting and security costs arising from additional scheduled sitting hours in the House of Representatives and the Main Committee over the life of the 43rd Parliament, \$0.7 million was provided over two year.¹¹

Security reviews

6.16 Security arrangements at Parliament House are reviewed on a regular basis with a physical security review being undertaken in one year and an IT security review in the next.¹² The following provides an overview of some recent security reviews:

- 2003: risk review and analysis of external precincts conducted by ASIO;¹³
- 2005: Protective Security Coordination Centre review;
- 2006–07: review initiated by the Presiding Officers of all elements of building security as the first stage of developing a five-year security strategic plan;
- October 2007: Signet Group International reported on Stage 1 of a comprehensive review of security arrangements in the Parliamentary precincts (other than information technology). Recommendations included the improvement of X-ray machines and coverage of CCTV;¹⁴

9 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 25 May 2009, p. 19.

10 *Budget Measures, Budget Paper No. 2 2010–11*, p. 330.

11 *Budget Measures, Budget Paper No. 2 2011–12*, p. 282.

12 Mr John Edwards, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 52.

13 Mr Mike Bolton, Secretary, Joint House Department, *Supplementary Estimates Hansard*, 3 November 2003, p. 131; see also Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2005, p. 58.

14 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 25 May 2009, pp 28–29.

- August 2008: internal Security Continuous Improvement Review of all aspects of security and recommended a further review to assess the PSS structure and roster;¹⁵
- 2008–09: internal structural and roster review;¹⁶
- 2009: a physical security risk review conducted by the Attorney-General's Department identified a number of vulnerabilities on the building and recommended security enhancements including the reorganisation of parking arrangements in the public car park, and enhanced security for the private car parks;¹⁷ and
- 2010–11: security risk review of information security arrangements in Parliament House.¹⁸

Issues raised in relation to security

Enhancement of security in the parliamentary precinct

6.17 Over the years, a range of security enhancement work has been undertaken at Parliament House. Major projects have included:

- 2005: construction of a wall around the inside of Parliament Drive and the installation of bollards to prevent unauthorised vehicle access, in particular to the grassed ramps and the slip roads to the Senate, House of Representatives and Ministerial Wing entrances;¹⁹
- 2009–10: the analogue CCTV Camera Management System was largely replaced with a digital system;²⁰ and
- 2011–11: additional funding received to improve security at Parliament House including changes made to the public car park.

6.18 The following discussion canvasses issues raised in relation to the security projects.

Perimeter enhancements

6.19 In late 2001, following increased concerns regarding security, temporary vehicle barriers were placed around the building to prevent access to the grass ramps and roof. In 2004, security upgrades to the perimeter of Parliament House were

15 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2009–10, Department of Parliamentary Services, *Answer to question on notice No. P4*.

16 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 52.

17 Department of Parliamentary Services, *Annual Report 2010–11*, pp 13, 18.

18 Department of Parliamentary Services, *Annual Report 2010–11*, p. 13; Senate Finance and Public Administration Legislation Committee, Budget Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 38*.

19 Department of Parliamentary Services, *Annual Report 2003–04*, p. 11.

20 Department of Parliamentary Services, *Annual Report 2009–10*, p. 14.

proposed. This included the replacement of the temporary barriers with a low wall around the inside of Parliament Drive, speed humps and the installation of fixed and retractable bollards to control vehicle access to the building. The total cost of the work was estimated at \$11.5 million and funding was provided in the 2004–05 Budget.²¹ As the work was external to the building, the approval by the Parliament was necessary.²²

6.20 The installation of the bollards included both fixed and retractable bollards with retractable bollards being installed on the slip roads to the Senate, House of Representatives and Ministerial Wing entrances. At the February 2004 Additional Estimates, DPS indicated it proposed to engage the building architects to undertake the design work and that it hoped that the bollards would be installed by 31 March 2005.²³

6.21 The original specification called for the use of electromechanical bollards in some areas. DPS indicated that no Australian manufacturer could supply bollards to meet the security specifications required. In total, 182 bollards, including pneumatic bollards, were imported from the United States.²⁴ The cost of design, supply and installation the bollards was \$2.247 million.²⁵

6.22 The installation of the bollards was completed during 2005 but the retractable bollards did not become operational until early January 2006.²⁶ During this period, discussions were held as to the operation of the retractable bollards including whether they would remain retracted at peak times to assist access to the building and the times that they would not be operational. It was agreed that the bollards would operate at certain periods of the day including longer during a sitting day. On advice from the Protective Security Coordination Centre, it was agreed that any holder of a photographic pass would be able to operate the bollards rather than restricting access to the slip roads to parliamentarians and Commonwealth cars.²⁷

6.23 This matter was canvassed during estimates and concerns were raised about the efficacy of installing bollards and then allowing any pass holders (over 7,000 at

21 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2005–06, Department of Parliamentary Services, *Answer to question on notice No. P2*.

22 Mr Andrew Smith, Department of Parliamentary Services, *Additional Estimates Hansard*, 16 February 2004, p. 19.

23 Mr Andrew Smith, Department of Parliamentary Services, *Additional Estimates Hansard*, 16 February 2004, p. 19.

24 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 14 February 2005, pp 19–20; Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2005, pp 70–72.

25 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2006, p. 14.

26 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2006, p. 8.

27 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 22 May 2006, pp 35–36.

that time) to activate them and access the entrances of Parliament House. DPS commented it was looking at this issue and stated:

The issues that we have begun to wrestle with include the fact that there has been a history of all those passes being able to use all the ramps and there has been a set of expectations there from those 7½ thousand people. And there are some pieces of gear that would actually be very hard to bring into the building except by driving right up to the entries on the Senate and Reps sides.²⁸

6.24 From February 2009, access to the slip roads was restricted to pass holders 'who have demonstrated a genuine business need to do so'.²⁹ This reduced the number of pass holders who have access to one or more of the three slip roads to about 1,750.³⁰

6.25 During the six month period in 2005, during which consideration of their operation was undertaken, the retractable bollards were locked into the ground. When agreement was reached on the operation of the bollards, problems arose with their operation and a number of mechanical failures occurred.³¹ This continued into 2006 and 2007, albeit at a decreasing level.³² In addition, a number of incidents occurred due to driver error.³³ Work was carried out on the bollards at the end of 2006 when they were recommissioned and DPS entered into a maintenance contract with the installers.³⁴ In 2008, additional stop and go lights were installed.³⁵

Parliament Drive

6.26 With Parliament House staff being dropped off or picked up on Parliament Drive rather than using the slip roads, concerns were expressed about safety.³⁶ As a result of the problems with traffic and safety concerns, Parliament Drive was converted to one-way in August 2006. The initial work to convert to one-way traffic

28 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 20 October 2008, p. 23.

29 Senate Finance and Public Administration, *Additional Estimates 2007–08*, Additional Information, *Operation Policies and Procedures*, No. 10.10, *Parliament House passes*.

30 Ms Karen Griffiths, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 19 October 2009, p. 11.

31 *Additional Estimates Hansard*, 18 February 2008, pp 18–19.

32 *Additional Estimates Hansard*, 13 February 2006, pp 8–12.

33 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 22 May 2006, p. 37.

34 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 12 February 2007, p. 39.

35 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 18 February 2008, pp 18–19.

36 *Budget Estimates Hansard*, 22 May 2006, p. 32; *Supplementary Estimates Hansard*, 30 October 2006, p. 40.

was undertaken at a cost of \$100,000.³⁷ As part of this work, temporary bollards were installed to ensure traffic moved in the correct direction around Parliament Drive. DPS noted that the impact of traffic entering and exiting the car parks on the through-traffic had improved.

6.27 A post-operative review and a traffic management report were commissioned at a cost of \$50,000.³⁸ In 2009–10, additional work was carried out on Parliament Drive as a result of the change to one-way traffic, and the recommendation of external traffic engineers to avoid accidents about the building and to make the pedestrian crossings compliant to current standards. At the same time, speed humps at the corners of Parliament Drive which were installed in 2006 at a cost of \$132,000³⁹ were removed and work was undertaken on the road pavement which was due for renewal or replacement. The cost of this work was \$1.9 million including \$600,000 for the road pavement.⁴⁰ The work received parliamentary approval in August 2009.

6.28 In response to questioning about the necessity of this work and the low number of accidents on Parliament Drive, Mr David Kenny, then Deputy Secretary, DPS commented:

I will just say again that the advice from the traffic engineers, the consultants, was quite comprehensive. It identified a number of what they considered to be serious defects with the set-up, including that, as you will recall, we had had the temporary orange bollards in place from the time the one-way road was put in place. This work is making permanent changes that those orange bollards had been attempting to enforce in terms of traffic movements.⁴¹

6.29 At the October 2011 Supplementary Estimates, the committee examined further security work for the Ministerial Wing car park which included bollards and high-security gates at a cost of \$940,000.⁴² Following completion of the work, traffic congestion at the Ministerial Wing resulted in vehicles queuing across the pedestrian crossing on Parliament Drive creating a significant hazard. DPS reported that a PSS officer had been assigned to the car park entrance in the mornings to assist with vehicular access. A traffic engineer had been engaged to look at a new traffic plan and Mr Alan Thompson, then Secretary, DPS, stated:

37 *Senate Hansard*, 13 May 2010, Answer to question on notice No. 2755, p. 3188.

38 *Senate Hansard*, 13 May 2010, Answer to question on notice No. 2755, p. 3188.

39 Mr David Cossart, Department of Parliamentary Services, *Additional Estimates Hansard*, 14 February 2005, p. 21; Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 8 February 2010, p. 7.

40 *Additional Estimates Hansard*, 8 February 2010, pp 5–6, p. 22; see also *Senate Hansard*, 13 May 2010, Answer to question on notice No. 2755, p. 2835.

41 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 8 February 2010, p.7.

42 Mr John Edwards, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 35.

We have a dilemma. On the one hand we are trying to secure the safety of the car park, the occupants and the occupants in the ministerial wing, and we are still trying to fine-tune the way those bollards and the first gate work. We have commissioned a small piece of work to look at whether we can realign a little bit of the road to create a lane into which cars going into that car park can pass without impeding cars wanting to proceed further along Parliament Drive.⁴³

6.30 The committee was informed that DPS had also examined the timing of the gates and bollards but noted that:

Part of the problem is that it is a hydraulic system which drives the gates and the locking pin, and that takes some little time to engage. We are trying to speed up as best we can. It is about striking that balance between and security and safety, and we are doing our utmost to get that right.⁴⁴

6.31 DPS indicated that the change to the hydraulic system would cost about \$20,000.⁴⁵ The committee questioned the need for the additional cost to a project of approximately \$1 million, given the volume of traffic using the car park and the predictability of the congestion.

Public car park

6.32 Work has been undertaken in the public underground car park to the parking arrangements and to upgrade security with the construction of a security wall.⁴⁶ This work resulted in changes to the number of car, taxi and coach parking spaces with DPS indicating in May 2010 that there were an additional two taxi spaces, four small coach spaces and more than 20 car spaces in different zones. Large coach parking spaces were decreased by two.⁴⁷ The construction of the security wall in the car park was undertaken in 2011–12.⁴⁸

6.33 The total cost of the changes to the underground public car park was \$9.12 million. The cost of the wall and work changes directly associated with the wall was \$7.7 million and the cost of the work on bus parking and entry-exit gates was

43 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 33.

44 Mr John Edwards, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 33.

45 Mr John Edwards, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 35.

46 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 25.

47 *Senate Hansard*, 13 May 2010, Answer to question on notice No. 2755, p. 3188.

48 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 25.

\$1.4 million. The construction of the wall resulted in a small reduction in car parking spaces.⁴⁹

6.34 Submitters commented that the effect of these changes was to decrease accessibility to Parliament House. MS Australia, for example, stated that the work had compromised access for people with mobility issues getting from their taxi to the lift entrance and also getting a taxi on exit from the building. MS Australia noted that some corrective action had been taken 'however for people using wheelchairs the access around the concrete barriers is difficult still'. The position of the taxi rank on a relatively steep slope caused difficulties for wheelchair users and the lack of a pram crossing at the taxi pick up spot to allow a person in a chair or other mobility aid to exit the roadway was also raised. MS Australia recommended the relocation of the taxi zone and 'consultation with users of wheelchairs as well as access consultants to look at the best location for this important zone and also address the security concerns that have made the use of concrete barriers important in the first place'.⁵⁰

6.35 The Disability Discrimination Commissioner, Mr Graeme Innes, also raised concerns about the car park directly with DPS. The Commissioner noted that there was a 'chicane of barriers which were there for security purposes' which impeded entry to the building for people with a disability. DPS commented at the May 2011 Budget Estimates that the car park had been reconfigured in 2010 and that:

We took a lot of care to make sure that we still had taxi ranks in accessible locations and so on. One issue that we had not dealt with well enough at that stage was people with sight impairment making their way from the taxi rank through to the physical entry to the building. Mr Innes alerted us to that, and we have now put down tactile strips from where people would alight from a taxi all the way through to security point 1 in the basement. That has been in place for some weeks now.⁵¹

6.36 Ms Mills also commented on access problems in the car park at the committee's October hearing and stated that:

I believe there are more actions required in the car park now to ensure that there has not been unnecessary disruption to access or the prominence of entry into the building as a result of the building of the wall, and particularly around disability access, which is something I am very determined that we improve upon. We are doing some work to map out a

49 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 17; see also Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 25*.

50 MS Australia, *Submission 2*, p. 3.

51 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 25.

program of work that might improve the amenity for people arriving at the building coming through the public car park area.⁵²

6.37 As a first step, DPS will modify the humps across the pedestrian walkway as these are not compliant as they are too high. Further work will then be required to improve the route, pedestrian safety, signage, and possibly lighting. A second access for a lift may also be required in the future.⁵³

Gates on underground car parks

6.38 Following the 2009 security risk review which identified a number of vulnerabilities on the building, crash rated security gates were installed on the private car parks for the Senate, House of Representatives and the Ministerial Wing. These gates replaced the boom gate and roller door used after hours. The Ministerial Wing gates were installed at a cost of \$1.1 million and the other gates at a cost of \$1.72 million with a total cost of \$2.82 million.⁵⁴

6.39 DPS noted that it was trying to 'strike that balance between making sure we get people into the building quickly and not cause a traffic jam along Parliament Drive, and also provide the building with a level of security which can be adjusted depending on the threat'.⁵⁵

CCTV system

6.40 On 18 June 2010, a new digital security camera system went into use.⁵⁶ DPS stated that the replacement was undertaken as the old MaxPro system lacked adequate support system, the storage capacity was limited including being unable to keep recorded footage for more than 72 hours and additional cameras required to address identified blind spots could not be added.⁵⁷ The system was installed by British Aerospace (BAE). The total cost of the project was \$7.1 million, with the contract for BAE valued at about \$4.5 million.⁵⁸

6.41 DPS indicated that it was 'largely' very happy with the operation of the new system, but acknowledged that there had been some problems including that high-

52 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 17.

53 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 17.

54 Mr John Edwards, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, pp 51.

55 Mr John Edwards, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 50.

56 Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 6*.

57 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 43*.

58 Ms Bronwyn Graham, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 24.

definition cameras dropped out.⁵⁹ It was also revealed that the MaxPro system had utilised a separate network, unlike the BAE CCTV system which operated through the Parliamentary Computer Network (PCN).

6.42 DPS informed the committee that there were technical reasons why the new security cameras were not on the separate system. DPS went on to indicate that the network was being upgraded with the intention of moving the new camera system back onto the separate network. Until that occurred, DPS agreed that having the cameras on the PCN left the system more open to attack including by hackers, viruses and failures if the PCN servers crashed.⁶⁰ Indeed, BAE had indicated that there had been failures due to 'external influences'. In response to questioning by the committee, Ms Bronwyn Graham, DPS, agreed that this was the case.⁶¹ Mr Kenny commented:

Under the MaxPro system you were still vulnerable to a server crash but, because it was on a different network, it was less vulnerable to hacking. But, as I said a minute or so ago, we were not able for technical reasons to place the new system on the old network. We are upgrading the old network and then we will move it.⁶²

6.43 Other interruptions to CCTV operations occurred when the CCTV operator's workstation crashed and as a result of intermittent power failures. Ms Graham indicated that if a workstation crashed, a reboot would be required. This would take 'a couple of minutes' to occur.⁶³

6.44 In relation to power failures, DPS reported that as an unintended consequence of an electrical infrastructure upgrade on the weekend of 27–28 August 2011, there were intermittent power failures resulting in approximately 50 per cent of the CCTV camera servers not being available during times on those days. The interruptions were caused by the failure of a temporary power supply device. The outage also affected the user interface for the radio and telephone system in use within the security control room. However, the two-way radio handsets in use throughout the building and the Parliament House telephone system remained fully operational.⁶⁴

6.45 DPS indicated at the February 2012 Additional Estimates that the computer network development work being undertaken was 'in its final stages'. Once this

59 Ms Bronwyn Graham, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 26.

60 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 28.

61 Ms Bronwyn Graham, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 28.

62 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 29.

63 Ms Bronwyn Graham, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 30.

64 Senate Finance and Public Administration Legislation Committee, *Supplementary Estimates 2011–12*, Department of Parliamentary Services, *Answer to question on notice No. 11*.

occurred, 'we will isolate—let's call it, the security network and the building management network—from other components of the network'.⁶⁵ It was noted that the decision to isolate the camera network was made by the SMB in April 2011. The SMB had considered the recommendations of the Information Security Risk Review (completed in February 2011) which had included a vulnerability assessment conducted by the Information Security Division of the Defence Signals Directorate. This report recommended that 'from a security perspective, the Building Management System [BMS] should remain separate and not be connected to the PCN in future'.⁶⁶ The BMS not only operated the CCTV system but also electronic access, and monitors and operates various systems in the building including the air conditioning.

6.46 A report in *The Canberra Times* stated that the security report on the new CCTV system had commented that:

...in the event of an attack on Parliament, the security flaws could help the attackers take control of critical assets in the building. "Control of these assets would allow an attacker to locate a person in the building"...

Attackers could then "seal or unseal doors to facilitate an attack, remove lighting and power from the area, continue to survey the person throughout the incident while removing [security staff's] ability to respond or even be aware an incident is occurring"...

The report also revealed that the new BAE workstations associated with the security camera system had a particular flaw that allowed security guards to access the public internet without requiring a long-on – something hackers are known to exploit to access classified system. Security staff had been consistently reporting faults with the system but their concern had been all but ignored by senior department staff, the report stated.⁶⁷

6.47 The isolation of the system was achieved by the installation of new technology boxes as part of the ICT network replacement program which will be completed by the end of 2012.⁶⁸ DPS indicated that it would then be possible to move the CCTV system to a dedicated virtual network and this was expected to occur in the first quarter of 2013.⁶⁹ In response to concerns that there appeared to be a lack of understanding in DPS of the importance of having the new CCTV system on a separate network, and therefore operational when a server fails, Mr Kenny stated:

65 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 36.

66 Senate Finance and Public Administration Legislation Committee, *Additional Estimates 2011–12*, Department of Parliamentary Services, *Answer to question on notice No.44*; see also Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, pp 53–54.

67 D Welch, *The Canberra Times*, 'Parliament vulnerable to attack: says report', 18 October 2011.

68 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, pp 53–54.

69 Senate Finance and Public Administration Legislation Committee, *Additional Estimates 2011–12*, Department of Parliamentary Services, *Answer to question on notice Nos 57 & 58*.

The security that we are providing is multiple layer, of which the CCTV cameras are just one part. When the building is operational—that is, when parliament is sitting—then the security is provided by the AFP outside and...PSS officers inside, including staff in the operations room who are monitoring the security cameras. If a server crashes then it is rebooted. Yes, I acknowledge that for the duration that that server is down, the cameras it is servicing are basically unavailable.⁷⁰

6.48 DPS also stated that the estimated cost to make the CCTV camera management system a stand-alone system, that is, a physically separate system, would be in the order of \$3 million.⁷¹

6.49 It was noted by DPS that in the event of a server crash and loss of CCTV capability contingency plans include the use of Australian Federal Police (AFP), PSS officers and security systems such as sensors, alarms and secure radio networks.⁷²

6.50 Following the May 2012 Budget Estimates, DPS provided further information on the security assessments of the new CCTV system. The committee was informed that security aspects of the BAE system were assessed as part of the tender assessment process. These included its ability to control and restrict viewing of selected cameras to selected operators, and how the system managed user accounts and privileges.⁷³ DPS also clarified that the risk assessment for the new network was conducted by an external IT security contractor and reviewed by the Defence Signals Directorate.⁷⁴

Photographic passes

6.51 In addition to parliamentarians, parliamentarians' staff and staff of the parliamentary departments, photographic security passes are issued to a range of other people entering Parliament House. These people include contractors, lobbyists, Commonwealth officers, media, ministerial staff and nominated family of parliamentarians. All passes have an automatic expiry date; the maximum life of a pass depends on passholder category.

6.52 The number of passes issued has grown significantly over the last few years. In 2008 there were some 8,254 photographic passes on issue.⁷⁵ As at January 2011, the number had increased to 8,989 and in October 2011 there were 9,451 photographic

70 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 40.

71 Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No.23*.

72 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2012–13, Department of Parliamentary Services, *Answer to question on notice No. 45*.

73 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 62*.

74 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 44*.

75 Senate Finance and Public Administration Legislation Committee, Supplementary Estimates 2010–09, Department of Parliamentary Services, *Answer to question on notice No.14*.

passes on issue.⁷⁶ There were 10,245 active passes on issue as at 5 November 2012.⁷⁷ The committee notes that between October 2008 and January 2011 (28 months) passes on issue increased by 735; over the next nine months passes on issue increased by 462 and in just over the year between October 2011 and November 2012 the increase was 754 passes (an 8 per cent increase in 12 months).

PSS staffing and rosters

6.53 Over the years, a number of key issues have been raised in relation to the PSS and include the adequacy of security clearance,⁷⁸ appropriateness of training,⁷⁹ PSS rostering and numbers of PSS staff.

6.54 During 2007–08, two internal reviews of DPS security were undertaken: the Security Continuous Improvement Review; and a structural and roster review. The Security Continuous Improvement Review was undertaken in 2007 internally by DPS staff attending workshops and meetings. It was finalised in August 2008 and included a recommendation which summarised opportunities to improve the security roster. Both reviews resulted in a decrease in the number of security staff.⁸⁰

6.55 The structural and roster review was described as having the aim to 'provide the same level of security service to the building but to bring our staff numbers back to broadly the level of that we had in 2005–06'. This would involve the loss of 25 operational, roster and pass office positions. While acknowledging the change in the security environment, Mr Thompson noted that there were budget considerations in making cuts and stated that 'we are certainly not wishing to diminish the level of security that we provide but we do believe we have got to manage within budget'.⁸¹ Mr Thompson argued that the PSS could be operated more effectively with a staffing level similar to that of 2005–06 and that the security of the building would not be compromised.⁸²

6.56 In response to concerns that the staff cuts were based only on budgetary issues, Mr Kenny stated:

76 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2010–11, Department of Parliamentary Services, Tabled paper; Supplementary Estimates 2011–12, Department of Parliamentary Services, *Answer to question on notice No. 9*.

77 Department of Parliamentary Services, *Answer to question on notice No. 4*, dated 12 November 2012.

78 *Supplementary Estimates Hansard*, 31 October 2005, p. 16.

79 *Supplementary Estimates Hansard*, 31 October 2005, p. 18.

80 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 57.

81 Mr Alan Thompson, Secretary, Department of Parliamentary Services *Budget Estimates Hansard*, 25 May 2009, pp 21–22.

82 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 25 May 2009, p. 23.

The change that is being talked about, the 25, came about as a result of an internal review that commenced last year as to the best way we could deliver security at existing levels. That work intensively involved consultation with the PSS staff, who know how the system works, and also PSS management. As a result of that, they have come up with a modified way of working which uses less people...As I said, that process commenced last year and is consistent with the various advices we have had over the time from the intelligence agencies and from the Signet people.⁸³

6.57 Four of five Parliamentary Security Operations Room (PSOR) supervisor positions were abolished as a result of the PSOR review. The remaining PSOR supervisor position was retitled PSOR Team Leader and the number of operator positions was increased from nine to 11. As a result of the Pass Office review, one position was abolished and one position was converted to part-time.⁸⁴

6.58 DPS also indicated that a review was concluded in January 2009 aimed at simplifying the management and supervisory structures within the security and facilities sections, reducing operating costs and strengthening management capability. The new structure delivered approximately \$800,000 in savings.⁸⁵

6.59 In May 2009, a further review of the PSOR was completed. The purpose of this review was to identify opportunities to create a more efficient business unit through structural changes, roster integration with the wider PSS and reduction of operating costs.⁸⁶ In September 2009, the operation of the Pass Office was reviewed.

6.60 DPS concluded that:

In 2008–09, reforms to the Parliamentary Security Service (PSS) were recommended following extensive consultation with PSS staff...The key driver for these reforms was the requirement to reduce operating costs, and has resulted in a change in the balance of staffing between ongoing full-time staff and sessional staff.⁸⁷

6.61 The security and facilities review was implemented at the same time as the changes arising from the security roster review, changed security 'call out' procedures, and transfer of some Ministerial Wing functions from the AFP-UP to the PSS.⁸⁸

83 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 25 May 2009, p. 30.

84 Department of Parliamentary Services, *Answer to question on notice No. 2(f)*, dated 19 January 2012, pp 22, 24; Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 25 May 2009, p. 61.

85 Department of Parliamentary Services, *Answer to question on notice No. 2(f)*, dated 19 January 2012, p. 21.

86 Department of Parliamentary Services, *Answer to question on notice No. 2(f)*, dated 19 January 2012, p. 22.

87 Department of Parliamentary Services, *Answer to question on notice No. 6*, dated 19 January 2012, p. 33.

88 Department of Parliamentary Services, *Annual Report 2009–10*, p. 37.

6.62 The committee was provided with the full-time equivalent (FTE) number of security staff from 2005 to 2012. These figures include part-time, casual and full-time staff both uniformed and non-uniformed as follows:

Table 6.2: PSS full-time equivalent staff numbers

Year	FTE
March 2005*	162.08
March 2006*	133.20
March 2007*	156.84
March 2008*	154.98
March 2009*	156.53
2009–10#	140.8
2010–11#	139.4
2011–12#	148.8

Source: *Budget Estimates May 2009, Answer to question on notice P4; #Department of Parliamentary Services, Answer to question on notice No. 7 dated 18 October 2012.

6.63 The average number of uniformed security staff in 2011–12 was 132.7 FTE.⁸⁹

6.64 The DPS annual report also provides the number of hours of internal guarding. It was noted that the number of hours of internal guarding varies depending on the number of parliamentary sitting days and, to a lesser extent, the number of functions held in Parliament House.

Table 6.3: Number of hours of internal guarding, 2005–06 to 2011–12

Year	Number of hours of internal guarding (PSS) – Monthly average
2005–06	18,586
2006–07	20,527
2007–08	25,212
2008–09	25,164
2009–10	21,636
2010–11	21,917
2011–12	23,732

Source: DPS Annual Reports 2005–06 to 2011–12

89 Department of Parliamentary Services, Answer to question on notice No. 7, dated 18 October 2012.

6.65 At the February 2010 Additional Estimates, the concerns of some PSS officers about shifts not being covered when staff were on sick leave, increased workloads and the risk posed by reduced security numbers were canvassed. DPS indicated that there were 18 fewer uniformed security officers. However, DPS argued that the new roster, introduced as a result of the roster review, aimed to ensure that the correct number of PSS were provided in different areas of the building to match need. Ms Graham stated:

The new roster that was developed as part of the review conducted last year has a spare capacity already built into it. For example, on a night shift we have two additional staff available that are not pre-programmed into a specific point. We use those resources to deal with planned absences and unplanned absences. In the course of the year a staff member would take leave. Invariably, some of that leave would be on a night shift and we would use some of the capacity that is already built in to reallocate and fill that vacancy. We hold over some of those vacancies for unplanned absences on any given day. That is our first port of call for an unplanned absence.⁹⁰

6.66 The roster review also considered the staffing of the security control room and recommended that a further review of the staff and the duties performed in the control room.⁹¹ The review was undertaken by Mr Bob Konig, a non-ongoing DPS employee at the PEL2 level. During the May 2010 Budget Estimates hearing, the committee noted that Mr Konig was the husband of the DPS Chief Financial Officer (CFO). DPS indicated that Mr Konig, while having a background in undertaking reviews, did not have any specific security experience. Ms Graham noted:

The structural review did not look at the elements of security risk and how we manage those risks. The structural review and the roster review looked specifically at how we organised our resources to deliver services. The separate review on our security risks has been done more recently under the guise of the Attorney-General's report.⁹²

6.67 As a result of changes to the roster, concerns were raised about the ability of the PSS to undertake the full range of duties including escorting emergency services officers after hours and when multiple emergency services are required in the building. DPS responded that the ability of the PSS to respond to emergency services had been part of the roster review. Ms Graham stated:

It is my understanding that the people involved in that review were comfortable with the ability for the security service to respond, to put a person at the door and to escort them through the building. Specifically, if there are now concerns from our staff about our ability to do that, they have

90 Ms Bronwyn Graham, Department of Parliamentary Services, *Additional Estimates Hansard*, 8 February 2010, p. 13.

91 Ms Bronwyn Graham, Department of Parliamentary Services, *Additional Estimates Hansard*, 8 February 2010, p. 29.

92 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 54.

not been brought to my attention and, as far as I am aware, they have not been brought to the attention of the relevant security managers.

Both our control room staff and our team leaders are given a number of forums in which to raise concerns about the security roster. In fact, we are in the process of trialling a suggestion from one of our staff members to improve the way the roster works. If I could reiterate the comments that I made at the last hearing in February. We do not acknowledge that the roster is perfect, but I think we have a very good track record of listening to staff where staff have raised concerns. And where concerns have merit, we have a number of examples where we have responded by putting in additional resources and/or different processes to streamline the way we can respond to different scenarios.⁹³

Serious breaches of security

6.68 There have been a number of serious security breaches in Parliament House. These have included intruders jumping from the public gallery into the House of Representatives chamber, hacking of the computer system, and intruders in the private areas of Parliament House including at a media conference held by the Prime Minister.

6.69 There have been instances of non-authorised persons entering the private areas of Parliament House. In September 2011, a man was found with an incorrect security pass outside the House of Representatives chamber. It appeared that he had accessed the building at Point 1 in the building basement and had joined a group of visitors being signed in by a Parliament House staff member. The group received an 'escorted pass' which required them to remain with the staff member who had signed them in. Once inside the building, the person left the group and was eventually found by a PSS officer outside the House of Representatives chamber. Following the incident, the number of guests able to be signed in by a pass holder was limited to five.⁹⁴

6.70 A far more serious breach occurred at a media conference on 23 August 2012. A member of the public was able to enter a restricted area of Parliament House and hand a document to the Prime Minister. The committee canvassed this incident at Supplementary Budget Estimates. The Secretary of DPS provided the committee with an outline of the incident indicating that the intruder had attended a public committee hearing and then, because a door was not manned by the PSS, had entered the private area of the building. He had then visited two offices including the Speaker of the House of Representatives. He then approached the Treasurer's office which notified the PSS. Ms Mills stated that the PSS attended the Treasurer's office, within two minutes of being called, however, he was no longer in the office. The intruder then

93 Ms Bronwyn Graham, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 64.

94 *ABC News*, 'Security beefed up after Parliament breach', 28 September 2011.

entered the Prime Minister's media conference and handed her a document. Following this incident he was escorted from the building by the PSS.⁹⁵

6.71 Ms Mills stated that the breach of security was not due to a 'systemic problem', rather it was 'human error' in the security system which occurred when the timing of a committee hearing was not verified with the relevant committee staff. As a consequence, an error was made in the rostering arrangements.⁹⁶ Ms Mills explained to the committee that following the incident a consultant had been employed to conduct a two part review with the first part to provide advice about any immediate changes that could be put in place to ensure that such an incident could not occur again. This report has been received and considered by the SMB. The second part of the review will look more broadly at any other issues or areas of improvement that could be introduced regarding the specific issue of unauthorised entry to the private areas of the building.⁹⁷ Ms Mills indicated that a strengthened approach to rostering had been implemented and the AFP now provide information to DPS about media conferences being held by the Prime Minister.⁹⁸

6.72 Ms Mills summarised her position in relation to the incident as follows:

Again, all I can suggest is that the ability of the person to get in was unique. One of the findings of it was that it was unique breakdown in our system. It was not a pattern of failure. It was literally a one-off.⁹⁹

6.73 Ms Mills also commented on the features of security in Parliament House noting the size of the building and the need to balance resourcing, risk and the private-public nature of the building.¹⁰⁰

6.74 While the committee acknowledges that changes have been made to security arrangements following this incident, there are a number of disturbing aspects to the incident. First, the intruder was able to wander the private areas of Parliament House for some 40 minutes without a pass and was not challenged by any PSS officer.

6.75 Secondly, there was a significant lapse in time between the incident and the Secretary and the President's office being informed. Ms Mills stated that the PSS had received the call from the Treasurer's office at 12.30 pm. She was informed at 2.00 pm that a minor security incident at occurred. The President's office was informed just

95 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, pp 25–26.

96 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 27.

97 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 25.

98 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 2; see also p. 36.

99 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 30.

100 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 31.

before 3.00 pm with the President being informed shortly after that when question time had finished.¹⁰¹ Ms Mills accepted that there had been a delay in the information being passed to her from the former deputy secretary.

6.76 Thirdly, the intruder was known to the PSS as the previous week he had caused a minor disruption at a Senate committee hearing. While the PSS had not attended the hearing, the Usher of the Black Rod had requested additional security at the committee's subsequent hearing and a photo of the person was provided to the PSS attending that hearing. Ms Mills commented that:

There was no reason, at that stage, to believe that he provided a greater threat than perhaps a minor disruption at a specific committee hearing. The beauty of hindsight is, did we under-react or over-react? The advice that I have received is that the practices that were put in place regarding his attendance at the committee hearing and the raising of the issue through the Usher are fairly normal practice, and the standard procedures were followed.¹⁰²

6.77 There was also concern raised in the hearing that the consultant engaged by Ms Mills lacked appropriate security expertise. Ms Mills explained that the consultant was an expert in safety and security in public areas. Ms Mills also noted that if the consultant's report 'really indicated there were security issues, as opposed to human factor failures, we would then bring in appropriate people to deal with them'.¹⁰³

Reporting on security matters

6.78 The committee has made comments on the quality of DPS annual reports in chapter 9. In addition to those comments, the committee makes the following observations about reporting on security matters. Successive annual reports have provided little information to assist in assessing security matters at Parliament House. Indeed, the committee found it was difficult to identify accurately the various security reviews that have been undertaken including basic information such as date of completion. The committee found that wording in some sections has remained the same for a number of years with only numbers or percentages being updated.

6.79 The data included is sparse and not particularly helpful in analysing performance. For example, while the number of incidents is reported, there is no indication of the severity of the incident only whether or not correct procedure was followed and that reports were completed.¹⁰⁴ Likewise, no indication is given if procedures were reviewed as a consequence of an incident.

101 Senator the Hon. John Hogg, President of the Senate, *Supplementary Estimates Hansard*, 15 October 2012, pp 35–35.

102 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 30.

103 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 37.

104 See for example, Department of Parliamentary Services, *Annual Report 2010–11*, pp 42, 45.

6.80 The performance indicators include 'validation of security of procedures' which have been measured at 100 per cent for the last three financial years. This figure is based on monthly validation exercises. The other measures are the number of incidents, both for the PSS and AFP-UP, and data on security services such as number of hours on guarding and number of scheduled emergency evacuation exercises completed. These indicators provide no real indication of performance and responsiveness of security services. For example, there is no indication of the success of the procedures in place, only the extent to which they have been followed. It could be argued that the procedures can be followed perfectly but that a major breach can occur because the procedures were not adequate in the first place.

Committee comments

6.81 There have been many risk assessments and reviews of the security at Parliament House, including IT security. In addition, the Security Management Board provides advice to the Presiding Officers on security policy and management of security measures. However, the committee considers that the evidence demonstrates that many aspects of security in Parliament House have been poorly managed. The committee notes, for example, that there has been a concentration on very costly physical security measures at the perimeter of Parliament House, while decreasing numbers of PSS staff have been required to take on more areas of responsibility including patrolling the Ministerial Wing.

6.82 A further example of poor security planning and project management was the installation of the new CCTV which was undertaken at great expense, some \$7 million. Rather than being on a separate network, it will operate through the Parliamentary Computer Network until next year. As a consequence, the CCTV system will be at risk of hacking and will be unserviceable if the PCN servers crash. The information provided by the DPS senior executive about this project at estimates was vague, less than frank and, in some instances, misleading. The committee considers that the management of the installation of the new CCTVs is yet more evidence of the ineffectiveness of the former DPS senior executive.

6.83 The committee also notes the increase in the number of photographic security passes on issue. While much public money has been expended on significant security projects undertaken to the exterior of the building, more and more people have been issued with passes which allow access to most areas of the building. The committee considers that the basis for the issuing of passes should be reviewed.

Chapter 7

Information technology issues

Introduction

7.1 During the course of the committee's inquiry, the Presiding Officers initiated a review (Roche Review) of information and communication technology (ICT) for the Parliament. The review examined the management and delivery of ICT service and equipment for the Parliament including operating context, resourcing, services and equipment provided, security issues and future institutional arrangements.¹ The President informed the committee at the October 2012 Supplementary Estimates that the review had been completed and tabled a copy of the report.²

7.2 The implementation of the 11 recommendations arising from the review will result in a significant change to the way in which ICT services are planned for, and provided to, all users of the Parliamentary Computer Network (PCN). These changes are aimed at addressing the many concerns raised about the provision of ICT services and providing a coordinated, streamlined and responsive approach to ICT.

7.3 However, while major changes are being introduced as a result of the ICT review, the committee considers that it is useful to provide an overview of ICT issues which have been raised during the committee's estimates hearings. The committee will also examine the development of the new Parliament House website project undertaken by the Department of Parliamentary Services (DPS).

ICT services for parliamentarians and staff

7.4 Until the recommendations of the Roche Review are fully implemented, ICT services for parliamentarians, their staff and the staff of the parliamentary departments are provided by the four parliamentary departments and the Department of Finance and Deregulation (Finance) as follows:

- the Department of the Senate and the Department of the House of Representatives provide desktop equipment for parliamentarians and staff in their Parliament House suites as well as departmental staff;
- the Parliamentary Budget Office provides desktop equipment for its staff;
- DPS provides desktop services for parliamentarians and staff in their electorate offices;

1 Senate Finance and Public Administration Legislation Committee, *Additional Estimates 2011–12, Additional Information*, Review of ICT within Parliament – Terms of reference.

2 M. Roche, *Review of Information and Communication Technology for the Parliament*, August 2012.

- DPS is responsible for the PCN within Parliament House as well as the primary responsibility for IT security and provides the 2020 Helpdesk. DPS also provides desktop services for its own staff;
- Finance retains responsibility for mobile devices such as Blackberries and multifunction devices in electorate offices; and
- portfolio departments provide ICT support for their ministers and parliamentary secretaries.

7.5 Parliamentarians also often provide their own ICT equipment, principally iPads and iPhones, many of which link to the PCN as 'unmanaged' devices.

7.6 The Roche Review provided the ICT expenditure reported to the Australian Government Information Management Office by the three parliamentary departments for 2010–11 as follows:

- Department of the Senate: \$1,735,500;
- Department of the House of Representatives: \$2,475,934; and
- Department of Parliamentary Services: \$23,916,843.³

The Parliamentary Computer Network

7.7 The PCN provides IT services to around 4,800 clients.⁴ This includes parliamentarians, their staff both in Parliament House and in electorate offices and the staff of the four parliamentary departments. The PCN also hosts applications to:

- (a) support the day-by-day work of the parliament (such as the Table Office systems, Hansard Production System, broadcast camera management system, and archive systems for Hansard and broadcast records);
- (b) provide information to parliamentarians, notably from the Library and Chamber Departments;
- (c) provide information to the Australian community, notably through the Parliament House website;
- (d) manage finance, human resources and procurement for each Department; and
- (e) support some operations of the building, including security systems.⁵

7.8 In 2010–11, the average staffing of DPS IT services was around 100 officers. DPS also accesses commercial providers of equipment and applications. Key

3 M. Roche, *Review of Information and Communication Technology for the Parliament*, August 2012, p. 7. This expenditure includes operating expenditure, capital expenditure and depreciation. Funding for DPS was adjusted to include \$14 m transferred from Finance following the transfer of electorate office IT.

4 Department of Parliamentary Services, *Annual Report 2011–12*, p. 38.

5 Department of Parliamentary Services, *Submission 3*, p. 21.

commercial providers include Microsoft, SAP, Honeywell, Integ, IBM and Hewlett Packard.⁶

Electorate office ICT

7.9 In May 2003, the Presiding Officers and the Special Minister of State signed an agreement whereby DPS would provide IT support to electorate offices on behalf of Finance with Finance meeting agreed costs of this support. While this agreement expired in 2006, it continued to be the basis for the service agreement. Under this agreement, DPS developed and maintained the Standard Operating Environment which is used in Parliament House and electorate offices and provided by the 2020 Service Desk. Finance used external contractors to supply, maintain and support onsite hardware in electorate offices, to maintain links to Parliament House and from electorate offices and to provide training services for electorate office staff.⁷

7.10 During 2008, talks commenced between DPS and Finance to transfer responsibility for electorate office IT support to DPS. It was hoped that agreement for the transfer to occur would be reached by June 2009.⁸ Mr David Kenny, then Deputy Secretary, DPS, commented that the intention of the transfer was to improve service levels and to deliver a consistent service to parliamentarians whether in Parliament House or their electorate office. In addition, the change would simplify support for clients. Mr Kenny explained:

The intention—and these are my words—was to improve productivity and to get consistency. At the moment, there are four organisations involved in supporting parliamentary IT services. That is us, the two chamber departments and the Department of Finance and Deregulation. I think it is a generally held view that we do not need that many; that it can work very well with fewer parties involved.⁹

7.11 It was noted that the responsibility for parliamentarians' entitlements for IT hardware would remain with Finance.¹⁰ However, at the Additional Estimates 2011, Mr Kenny indicated he understood that decisions about IT entitlements would pass to the Presiding Officers.¹¹

7.12 At the Budget Estimates May 2010, DPS indicated that agreement had not yet been reached for the transfer of responsibilities for electorate office IT as there were

6 Department of Parliamentary Services, *Submission 3*, p. 22.

7 Department of Parliamentary Services, *Annual Report 2009–10*, p. 56.

8 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 74.

9 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p.73; see also Department of Parliamentary Services, *Submission 3*, p. 21.

10 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 23 February 2009, pp 14, 53.

11 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 61.

governance and legislative issues to be resolved and Finance had indicated that it was not likely that the transfer would occur before the next election.¹² The transfer for responsibility of electorate office IT took place on 1 July 2011. From that date DPS took over management of IT equipment and desktop applications in electorate offices of parliamentarians from Finance.¹³ Responsibility for mobile devices including mobile phones and their costs and the car kits as well as residential phone lines and multifunction devices in electorate offices remained with Finance.¹⁴

7.13 DPS was to receive the allocation funding that had been made to Finance, less an amount arising from the Gershon review of Commonwealth IT, for the new responsibilities.¹⁵ Mr Kenny indicated that DPS was undertaking a review of all electorate office equipment but noted that much of the equipment in electorate offices is old and has presented DPS 'with quite some headaches about how we go about scheduling the replacement'.¹⁶

7.14 Ms Carol Mills, Secretary, DPS, also commented on the replacement electorate office ICT equipment and noted that the provision of equipment by Finance was based on a lease-of-equipment model. However, with government moving to a model of purchase rather than lease, 'what that means for us is that we have a demand on our capital budget that we do not really have adequate funding for because we have a peak of having to replace equipment with purchased equipment, not leasing'.¹⁷ Ms Mills commented that because of DPS's tight budget, not all equipment will be replaced in the next financial year:

We are going to have to look at a strategy of, I guess, stretching that replacement out, prioritising those that are genuinely non-functional and then those that are not quite obsolete—they are working but they are not meeting contemporary standards—and then moving into our regular cycle of purchase. Inheriting everything at once creates an artificial situation where we are putting a lot of money in upfront and we do not, therefore,

12 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 74.

13 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, pp 71–72.

14 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 19. Note: a multifunction device is a photocopier and a printer in one unit.

15 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 58.

16 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 32; see also Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 39.

17 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 14.

have the capacity to spread the budget in a way that would make it easier to manage.¹⁸

7.15 Ms Mills stated that there is 'probably a gap of around \$2 million if we were to replace everything that we think needs replacing at the moment'.¹⁹

Issues canvassed at estimates

7.16 Major issues canvassed at estimates hearings have included lack of consistency of IT services, fragmentation of responsibility, lack of clarity in service provision, response to emerging technologies, security threats and reliability of services.

Fragmentation of responsibility

7.17 The lack of consistency of services and equipment between electorate offices and Parliament House offices has been a major concern for senators. For example, it was noted that the systems were such that the docking stations for laptops were different in electorate offices and Parliament House offices.²⁰ The fragmentation of responsibility for IT services has meant that committee members have found it difficult to resolve problems with equipment. For example, problems with BlackBerries including the frequency of the need to re-enter passwords, the length of the password, frequency of resetting passwords and the disabling of the blue light, which indicated that Bluetooth was active, were raised at a number of estimates hearings before a satisfactory resolution was achieved.

7.18 One example which highlights this problem was in relation to resetting Blackberry passwords. This matter was first canvassed at the February 2011 Additional Estimates. DPS indicated that Finance was responsible for the policy on length of passwords and frequency of resetting.²¹ At the October 2011 Supplementary Estimates, following advice from Defence Signals Directorate (DSD), DPS stated that DSD gives advice on password requirements, some of which were mandatory and others recommended only. DSD requirements relating to parliamentarians' BlackBerries were that they should be mandatory. DSD however, explained that agency heads may choose not to comply with policy controls in cases where there are valid reasons to vary from a control. DPS went on to comment that it did not provide BlackBerries so that Finance was the relevant decision maker.²²

18 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 14.

19 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 14.

20 *Supplementary Estimates Hansard*, 19 October 2009, p. 22; *Supplementary Estimates Hansard*, 17 October 2011, p. 24.

21 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 55.

22 Ms Freda Hanley, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, pp 49–50.

7.19 At the February 2012 Additional Estimates the matter was canvassed again and Mr Kenny advised that at the end of 2011, advice had been received from Finance that DPS was the decision-maker in relation to BlackBerries. DPS had then received more recent advice from Finance that it believed that Finance still had a role in this matter. In relation to who would make the decision if there was a difference of view between DPS and Finance, Mr Kenny stated:

If it remained not in dispute but with different views, they would presumably escalate to the Special Minister of State and we would brief the Presiding Officers.²³

7.20 At the May 2012 Budget Estimates Mr Kenny noted the large amount of 'toing and froing' to come to a resolution on security levels, but it was now the position that DPS could set the minimum password.²⁴

7.21 A further matter canvassed at the 2012 Budget Estimates was the access to certain services such as Wi-Fi in electorate offices. DPS indicated that while there were no technical issues with the supply of Wi-Fi to electorate offices, there were security considerations.²⁵

System availability and reliability

7.22 Systems availability and reliability has been a major issue with the PCN since the early 2000s. For example, at the February 2004 Additional Estimates the committee sought explanations for a major failure of the PCN during the previous sitting week. It was noted that parts of the system had failed for up to one and a half days. Committee members commented that the PCN was a source of major complaints.²⁶ Problems have also occurred with the email system.²⁷

7.23 In its submission to the inquiry, DPS reported that there are increasing demands on the PCN and 'the network was not originally designed, nor was DPS funded, for such high demand'.²⁸ Mr Kenny explained:

I would certainly agree that the current version of the system is overloaded, which you can take to be agreement that there is insufficient capacity. It is not that we cannot acquire more; it is just that the logistics of putting in the new servers with the new software and migrating people across to them,

23 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, pp 30–31.

24 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 38.

25 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, pp 40–41.

26 *Additional Estimates Hansard*, 16 February 2004, pp 22–23.

27 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, pp 69–70.

28 Department of Parliamentary Services, *Submission 3*, p. 5.

along with all their historical data, is time consuming and we cannot schedule it until we are confident that the new system is reliable.²⁹

7.24 DPS has pointed to funding as well as security concerns as the reasons for problems with the PCN. Nevertheless it submitted that it provided a 'credible level of service':

...given the history of the DPS funding (which has been discussed under other Terms of Reference of this inquiry), as well as the diversion of resources to IT security matters, we consider that we provide a credible level of service to our clients. Over the last two years we have also been able to improve components of the service, including the introduction of wireless connectivity for IT services through most of Parliament House, and the new service to connect iPad and iPhone devices to the network.

Nevertheless, recognising the feedback from customer surveys and anecdotal advice from Senators, Members and their staff, DPS aspires to provide a higher level of service. *DPS proposes that higher standards be included in an expanded version of our services catalogue.*³⁰

Information security threats

7.25 IT security has been identified as a key challenge for DPS which reported that various forms of attack on IT systems are now occurring on a regular basis.³¹ For example, in February 2010 the Parliament House website was targeted and disabled by internet protest group Anonymous, which appeared to be objecting to the filtering regime being proposed by the government. It was accompanied by email attacks, phone calls and faxes. The website was hit with 7.5 million requests for communication per second which disabled the website.³²

7.26 Mr Kenny described the DPS response as 'basically reactive' by shutting down access in an attempt to block the attacks. He added that information was provided to the AFP and DSD had been consulted.³³ When asked about taking more preventative measures Mr Kenny responded:

As a matter of course, we have a range of measures in place to protect the network and to protect email against malicious or mischievous attacks. Since February we have had a review of all of our defences. Obviously we suffered some inconvenience because the internet was down for probably several days in total. We have reviewed the software and hardware that we use to block such attacks, identify where such attacks are coming from and

29 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 70.

30 Department of Parliamentary Services, *Submission 3*, p. 23.

31 Department of Parliamentary Services, *Submission 3*, p. 23.

32 *TechWorld*, 'Australian parliament Web site attacked', 11 February 2010; *Australian*, 'Hackers "titstorm" the PM and Parliament House', 11 February 2010.

33 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 49.

try to block them. We have had discussions with our internet service providers and with a couple of other government agencies who are obviously also interested in being able to protect their own systems from such attacks. We have investigated another product which we are in the process of looking at buying. We have been trialling it.³⁴

7.27 Concerns with hacking of the PCN arose in 2011 when the email system had been hacked. It was reported that 'unknown parties, possibly foreign intelligence agents, accessed thousands of emails in the Australian Parliament House network, used by parliamentary staff and ministers'.³⁵ DPS responded that:

...yes, there has been a lot of media about hacking into a range of systems internationally, including corporate sites around the world and other parliaments around the world, and there were a couple of articles referring to the Parliament House network here. Obviously, from the fact that a number of sites were affected, it remains an issue for all of us...IT security and managing IT and generally improving IT reliability is as high a priority for us as any of our other fairly urgent tasks.³⁶

7.28 At the October 2011 Supplementary Estimates hearing, Mr Alan, then Secretary, DPS, stated that he expected information security issues would remain in the short and long term.³⁷ DPS submitted that:

...future models for ICT services to Parliament need to provide adequate funding to ensure security, while still providing innovative and responsive services to parliamentarians and to the Parliamentary Service.³⁸

7.29 DPS added that it has been 'actively responding to IT security concerns, and is receiving assistance from Government agencies'. DPS went on to note that 'the major focus on this issue within DPS has necessarily meant that some aspects of service delivery have had a lower priority'.³⁹

Responding to emerging technologies

7.30 Improved access to new technologies to assist senators and members in undertaking their work has been raised regularly in estimates hearings, for example, in relation to use of iPads. At the October 2011 Supplementary Estimates, Mr Thompson stated the DPS position:

34 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 49.

35 *The Age*, 'Security concern as parliamentary emails are hacked', 30 March 2011.

36 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, pp 70–71.

37 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 14.

38 Department of Parliamentary Services, *Submission 3*, p. 23.

39 Department of Parliamentary Services, *Submission 3*, p. 23.

The dilemma we are faced with, with the whole iPad thing, is exciting new technology and great opportunity but we have been bringing it in against a background where we have been very concerned about information security. We are being very cautious about that.⁴⁰

7.31 As iPads emerged as an effective and convenient technology, many senators and members purchased their own iPads to use for parliamentary business. These were initially not connected to the PCN. At the February 2011 Additional Estimates, DPS indicated that it had commenced trialling the use of iPads, as well as other mobile computing devices in late 2010. DPS stated that the trial would allow it to identify the issues associated with connecting iPads to the PCN. It was noted that if a privately-purchased device was to be connected to the network 'we want a degree of veto over what software gets loaded on it'.⁴¹

7.32 Mr Thompson reported at May 2011 Budget Estimates that the iPad trial was 'largely' successful and that DPS should be able to provide this service to members in the future.⁴² He added:

The conclusion of our trial was that there can be significant productivity benefits to all building occupants, but there is then a logistical thing, which we are close to finalising, and hopefully we can commit to a service. We are very close to being able to provide a service.⁴³

7.33 Connection of iPads was again canvassed at the October 2011 Supplementary Estimates where technical issues in relation to email addresses, calendars and the use of iPads were raised.⁴⁴ At the February 2012 Additional Estimates Mr Kenny reported:

I think it is fair to say that the iPad service is now well beyond the trial and in very widespread use. It is still on the basis that the individual has to provide their own iPad device, but we have now expanded it technically so that you can use it in two ways. One is just as an unmanaged device, which just gives you access to your emails on the internet; the other is as a full parliamentary computing network portable device so that you can access all services on the PCN.⁴⁵

40 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 55.

41 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, pp 56–58.

42 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, pp 72–73; see also Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 17 October 2011, p. 13.

43 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 73

44 *Supplementary Estimates Hansard*, 17 October 2011, p. 55.

45 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 32.

7.34 Mr Kenny also stated that, in the context of assessing electorate office IT, the provision of a device such as an iPad was under consideration.⁴⁶

Review of ICT for the Parliament

7.35 The report of the review of ICT for the Parliament by Mr Michael Roche was provided by the President at the October 2012 Supplementary Estimates. The scope of the review included the PCN and the services delivered by that network, both in Parliament House and in parliamentarians' electorate offices. It included web-based services, mobile and other devices capable of connecting to the PCN such as tablets and smart phones. It also included audio visual services to the extent that they are digitised and available over the PCN.⁴⁷

7.36 The report included 11 recommendations with three key themes:

- the adoption of a strategic plan for parliament itself, with a parliament-wide approach to the provision of parliamentary ICT, with governance arrangements that include the parliamentary stakeholders and all four parliamentary departments;
- the adoption of a one-stop-shop approach to the delivery of ICT to reduce overlap and duplication and to simplify access for users of the PCN; and
- the adoption of a more flexible approach to the selection and delivery of ICT for parliamentarians and to the introduction of new technology.⁴⁸

7.37 The President informed the committee that the Presiding Officers had agreed in principle to the recommendations made, and had instructed the parliamentary departments to facilitate their implementation. The Presiding Officers had also agreed on a governance structure for the delivery of parliament-wide ICT services with the Presiding Officers retaining overall responsibility. A joint appropriations and staffing committee with oversight of the delivery of parliament-wide ICT services by DPS would be established and a chief information officer (CIO) for the Parliament would be appointed.⁴⁹

7.38 A parliamentary ICT advisory board is also to be established. The board will oversee the development of the strategic plan for parliamentary ICT. It will be chaired by the Secretary of DPS and will comprise one senior representative from each of the other parliamentary departments, the Parliamentary Service Commissioner or the Parliamentary Service Commissioner's nominee, one nominee from the government party, one nominee from the opposition party and one nominee from the minor parties

46 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 13 February 2012, p. 32.

47 M. Roche, *Review of Information and Communication Technology for the Parliament*, August 2012, pp 2–3.

48 Senator the Hon. John Hogg, President of the Senate, *Supplementary Estimates Hansard*, 15 October 2012, p. 2.

49 Senator the Hon. John Hogg, President of the Senate, *Supplementary Estimates Hansard*, 15 October 2012, p. 3.

and Independents. There will be user groups which will include a parliamentarians group, a members of parliament staff group and a parliamentary departments group, and these are in the process of being established. The President stated that the Presiding Officers believed that the new governance structure provides greater opportunity for input by senators and members into the type of ICT services they receive.

7.39 The President indicated that discussions had commenced with the Special Minister of State in relation to the issues identified in the report. In particular, that discussions were being held regarding the recommendation made by Mr Roche that BlackBerry and multifunction devices be transferred to DPS along with all other electorate IT, and the recommendation relating to the approval of the acquisition of new technology by senators and members through an amount to be sacrificed from their stationery and office requisites allowance.⁵⁰

7.40 Ms Mills also commented on implementation of the Roche review and stated:

...I strongly support those recommendations and that direction. I think it is imperative that we provide as streamlined a service as possible to members and senators and their staff. I feel that there are a vast number of areas in which we can improve on the delivery of ICT services through enhanced coordination and particularly with a stronger focus on understanding what it is that members and senators require. You are a mobile work population. Mobility is now in a technical sense much more available to us than ever before and it is certainly one of the things that I want to focus upon in the next few months.⁵¹

7.41 At the committee's hearing on 30 October 2012, Ms Mills indicated that an acting CIO had commenced with DPS and arrangements were underway to select a permanent CIO. Ms Mills also informed the committee that nominations for the parliamentary ICT advisory committee had been received and work was progressing on identifying issues to be considered by the board over the next 12 months.⁵² The Presiding Officers have also agreed that, as a consequence of the establishment the board, the Presiding Officers' Information Technology Advisory Group (POITAG) will be abolished.⁵³

7.42 Ms Mills also noted that DPS was working towards taking over responsibility for the ICT functions currently being performed by the Chamber departments; rationalisation of the number of corporate systems and licences; and developing the 'one-stop shop' concept for users with full implementation by July 2013. A significant

50 Senator the Hon. John Hogg, President of the Senate, *Supplementary Estimates Hansard*, 15 October 2012, pp 2–3.

51 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 24.

52 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 1.

53 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 13.

matter for DPS is the transfer of electorate office IT from Finance. Ms Mills stated that the issue of parliamentarians' entitlements and the best way to provide flexible support to senators and members in choosing the equipment that best meets their needs will be examined. She went on to state:

There are a significant number of projects that we are doing at the moment that will fall under that umbrella including exploring the best way to provide support services and equipment to electorate offices and how we can deliver a program that is basically a mirror image of what you might see in Parliament House. We are, obviously, working on projects to speed up broadband access in offices at the moment and in a way that is a precursor to other things, because until we can give you good broadband speeds across the country, a lot of the other equipment, as good as it might be, will not be performing to an optimum level. That program is rolling out between now and early March. So by the end of March we should be able to, with confidence, provide access to a full range of equipment and know that it will work in all the electorate offices.⁵⁴

Parliament House website

7.43 At the May 2009 Budget Estimates, DPS informed the committee that the Parliament House website, which had been released in 2002, would be replaced. It was noted that there had been significant changes in technology and user expectations. DPS commented that it would seek the views of users and expected that the new website would be available in 2010.⁵⁵ When the website was launched in February 2012, Ms Missingham, then Parliamentary Librarian, described the new functionality of the website and noted that it will be easier for users to find information:

Members of the public will be able to track bills through parliament and get email alerts as bills go through various stages. They will be able to be alerted when their local senator or member gives a speech in the parliament. They will be able to search Hansard separately and find information on it more easily.⁵⁶

7.44 At the May 2009 Budget Estimates DPS indicated that stage 1 of the replacement would be finalised October 2009 at a cost of \$86,000.⁵⁷ This stage consisted of consultations to determine need in order to draw up a statement of requirements for tender purposes. By the October 2009 Supplementary Estimates, the

54 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 13.

55 Ms Roxanne Missingham, Parliamentary Librarian, *Budget Estimates Hansard*, 25 May 2009, pp 40–41.

56 Ms Roxanne Missingham, Parliamentary Librarian, *Additional Estimates Hansard*, 13 February 2012, p. 23.

57 Ms Roxanne Missingham, Parliamentary Librarian, *Budget Estimates Hansard*, 25 May 2009, p. 30.

budget for this stage had increased to \$150,000. As well, the completion of the stage had been delayed.⁵⁸ Ms Missingham noted that:

...we have not spent all of the money that was allocated. So, yes, it has taken a lot longer but I guess we would say that it was far better to do the right thing in the first place rather than to go to market and have a tender that did not meet everyone's new and evolving needs...

And we went to tender with a statement of specifications that described our current needs and then also said we wanted a solution that was future proofed so that it could be upgraded at additional times.⁵⁹

7.45 Ms Missingham also provided details of the total cost of the website and noted that of the \$150,000 allocated for the stage 1, \$106,000 had been spent. Stage 2, which included building the website, to install the content management system and testing with user groups, was budgeted to cost approximately \$1 million. The total budget for the website was \$1.15 million.⁶⁰

7.46 The committee again examined progress of the website at the October 2011 Supplementary Estimates. Ms Missingham indicated that there had been some delays due in part to the vendor's lack of understanding of the complexity of the system and security issues. However, user acceptance testing was taking place and the website was expected to be launched at the end of 2011.⁶¹

7.47 The new website was launched on 17 February 2012.⁶² At February 2012 Additional Estimates DPS reported that the launch of the new website had been delayed by around a year. Ms Missingham described the reasons for the delay:

Work started on coding the website in about November last year and we had hoped that it would be available in the first half of last year, but the complexity of various aspects of the website led to delays. There were a number of issues in regression testing that we found and we also went through a reworking of aspects of the website as the three creators of information on the website reworked some of their business requirements. David [Kenny] has referred to the security environment that we are now in, and there were delays from undertaking security. We have done three

58 Ms Roxanne Missingham, Parliamentary Librarian, *Supplementary Estimates Hansard*, 19 October 2009, p. 26.

59 Ms Roxanne Missingham, Parliamentary Librarian, *Supplementary Estimates Hansard*, 19 October 2009, pp 28–29.

60 Ms Roxanne Missingham, Parliamentary Librarian, *Supplementary Estimates Hansard*, 19 October 2009, p. 27.

61 Ms Roxanne Missingham, Parliamentary Librarian, *Supplementary Estimates Hansard*, 17 October 2011, p. 14.

62 Ms Roxanne Missingham, Parliamentary Librarian, *Additional Estimates Hansard*, 13 February 2012, p. 16.

rounds of security analysis of the website to make sure that it will not be hacked.⁶³

7.48 The President also explained the reasons for the delay:

I would say one thing at the outset. Part of the delay was caused by a major breach of the security of the system externally from this place. That was something that was addressed not only in respect of that website but in terms of the operation of all IT in this place. That occurred in December 2010. That put additional costs on IT right throughout this place. I have not been directly involved in the project itself and I do not know what part of those costs would have been incurred as a result of that, but one would hope that, if we have overcome the security aspects, these sorts of delays should not occur into the future.⁶⁴

7.49 The delay also resulted in additional costs of around \$614,000 with a total project cost of \$3.1 million. Ms Missingham described the additional costs as:

I think you could say that the delays and the additional costs were as a result of increased complexity of the solution that we needed, increased security testing and an increase in the work that was done compared with what we had anticipated when we initiated the project.⁶⁵

7.50 At the committee's hearing in October 2012, Ms Mills informed the committee that further work is being undertaken on the website including to make it fully compliant with Commonwealth web accessibility guidelines. Ms Mills explained:

...a significant upgrade is still required, in line with the lessons we have learned from its operation. We are looking to spend a couple of hundred thousand dollars in the not too distant future to do the next sphere of that.

At the moment, we have a single web interface into Parliament House, which services a multiplicity of purposes. Therefore, in some areas it is not as easy to search as it would be if you had a standalone website or a very consumer orientated one. I think there are opportunities for us to look in the future, as the development becomes much more cost effective, at whether we have multiple entry points into information about parliament. But, at the moment, we are simply looking at ways of improving from the lessons of the first: what are people using, how are they accessing it, what information are they satisfied with? I do get quite regular comments from people within this building and also citizens that they found it easy or difficult to find

63 Ms Roxanne Missingham, Parliamentary Librarian, *Additional Estimates Hansard*, 13 February 2012, p. 23.

64 Senator the Hon. John Hogg, President of the Senate, *Additional Estimates Hansard*, 13 February 2012, p. 24.

65 Ms Roxanne Missingham, Parliamentary Librarian, *Additional Estimates Hansard*, 13 February 2012, p. 24.

certain information. We are tweaking our content all the time to try and adjust to that.⁶⁶

Committee comments

7.51 An effective delivery of ICT services unpins the successful execution of every aspect of the work of the Parliament, parliamentarians and their staff and the staff of the parliamentary departments. IT services now being provided by DPS for the Parliament are not just restricted to those in Parliament House, but also those in electorate offices across the country, the services provided to senators and members on the move and to committees when travelling to remote areas of Australia.

7.52 The review of ICT for the Parliament found deficiencies in the way in which ICT has been provided in the past and the implementation of the review's recommendations will enhance the provision of services across the Parliament. The committee acknowledges that the deficiencies have, in part, arisen because of the fragmentation of service delivery. This has now been addressed with the transfer of electorate office IT from Finance. The committee also strongly supports the transfer of BlackBerries and multifunction devices to DPS. However, the committee considers that the maximum benefit of this change will only be achieved if adequate funding is provided to support the ICT services required by the Parliament. In this regard, the committee notes the comments made about the age of certain electorate office equipment that DPS has taken over from Finance and the replacement of this equipment at a time when DPS is facing significant resource constraints.

7.53 The committee supports the implementation of the review's recommendations. The committee also notes the evidence of past unsatisfactory project management and provision of IT services. For too long DPS appears to have relied on security concerns to hinder access to emerging technologies. The committee is also concerned with ICT project management and points to the new Parliament House website as an example. This project was significantly delayed and costs far exceeded initial estimates. The explanation given by the then Parliamentary Librarian was that the vendor lacked understanding of the complexity of the system and security issues. The committee finds this a rather problematic explanation given that the old website had been in situ for some 10 years and security of ICT systems has been a long standing issue. The committee considers that the delays may point to poor project development and inadequate consultation between stakeholders, DPS and the vendors. The committee is also somewhat disturbed that Ms Mills has indicated that the website still requires a 'significant upgrade' which will cost 'a couple of hundred thousand dollars'. The committee will keep this further upgrade work under close scrutiny through the estimates process.

7.54 The committee anticipates that the appointment of the CIO under the post-review structure will provide a more rigorous approach to the delivery of ICT services. In particular, the committee considers that a dedicated CIO will assist in

66 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 15.

ensuring that projects are delivered on time, within budget and fit for the proposed purpose and that committee members will not have to resort to the estimates process to try to remedy minor technical problems with ICT equipment.

7.55 The committee also welcomes streamlining the provision of ICT through a 'one-stop shop' and the setting of a level of security that is practical without creating vulnerabilities in the PCN. However, the committee is mindful of the financial resources required to implement significant changes to IT systems and equipment upgrades and will monitor closely developments in this area.

Chapter 8

The amalgamation of the parliamentary service departments and the DPS budget

8.1 This chapter details the attempt to achieve efficiencies in the administration of Parliament House by the amalgamation of service provision departments under the Department of Parliamentary Services. It also examines the DPS budget and the effect of the efficiency dividend.

Amalgamation of the service departments

8.2 From 1901, the Commonwealth Parliament was serviced by five departments:

- Department of the Senate;
- Department of the House of Representatives;
- Parliamentary Library;
- Department of the Parliamentary Reporting Staff (to 1990 known as Hansard); and
- Joint House Department (JHD).

8.3 Over the decades, numerous reviews of the administration of the Parliament have been undertaken, and unsuccessful attempts were made to amalgamate the parliamentary departments. Proposals have included amalgamating all departments into one department or creating three departments:¹

- 1910: the Prime Minister, the Hon. Andrew Fisher, questioned the need for five parliamentary departments;
- 1933: the Pinner Inquiry examined the introduction of economies into the Parliament and suggested the merger of all five departments into a single department;
- 1953: the review undertaken by the Acting Assistant Public Service Commissioner, LO Brown, proposed that all accounting work and staff work be transferred to the JHD and recommended that the five parliamentary departments be amalgamated into one;
- 1977: the Manager of Opposition Business in the House, the Hon. Gordon Scholes, wrote to the Speaker of the House of Representatives suggesting that a Department of the Parliament be established by amalgamating the three service departments;

1 *Managing the Parliament: The Way Ahead, Report by a working group to the heads of the Parliamentary Departments*, 17 March 1997; Australian Public Service Commission, *Parliament – Master of its own household?*, Occasional Paper One, 2002.

- 1980: at the request of the Presiding Officers, a management consultancy company undertook a review of the three service departments and proposed that they be merged;
- 1981: the JHD undertook a pilot study for the coordination of personnel services across the parliamentary departments;
- 1982: the Senate House Committee reported on its inquiry into the JHD and recommended that other matters be dealt with before examining amalgamations of the parliamentary service departments;
- 1987: the Presiding Officers proposed a restructure of the administration of the Parliament. Some administrative changes were implemented and the Parliamentary Information Systems Office was established but no amalgamations were undertaken;
- 1988: the Speaker introduced the Public Service (Parliamentary Departments) Bill 1988 which sought to reduce the number of departments from five to three. The Bill was passed in the House of Representatives but was not considered in the Senate;
- 1993: the Speaker introduced the Public Service (Parliamentary Departments) Bill 1993 which sought to amalgamate the Departments of the Parliamentary Library and Parliamentary Reporting Staff. The Bill was passed in the House of Representatives but the order for the day relating to its consideration was discharged from the Notice Paper in the Senate;
- 1996: the National Commission of Audit suggested to the Government that corporate functions should be combined into a single department with Offices of the Senate and House of Representatives, if required, and other functions contracted out;²
- May 1996: the Hon. David Martin, former Speaker, introduced the Public Service (Parliamentary Departments) Amendment Bill 1996 which proposed to amalgamate the three service departments. This Bill was not proceeded with;
- August 1996: the heads of the parliamentary departments responded to the Presiding Officers on the possible rationalisation of, and services provided by, the five parliamentary departments. All heads supported a two or three department structure. Mr Noel Tanzer was appointed by the Presiding Officer to review the responses;
- 1997: following the consideration of the suggestions of the heads of the parliamentary departments provided in August 1996, the Presiding Officers decided to implement a management structure based on the two chamber departments. Departmental heads were appointed as a steering committee to

2 National Commission of Audit, *Report to the Commonwealth Government*, 1996, AGPS, Canberra.

implement the structure. The working group to the departmental heads reported in March 1997;³ and

- June 1997: the Senate referred the matter to the Senate Standing Committee on Appropriations and Staffing which recommended that the Senate not support the proposal in the form agreed to by the Presiding Officers.⁴

Podger Review

8.4 In 2002, at the request of the Presiding Officers, Mr Andrew Podger, then Parliamentary Service Commissioner, undertook a review (Podger Review) of the administration of the Parliament.⁵ The review examined the advantages, both financial and organisational, which may arise from changes to the administration of Parliament House security; the extent to which the management and corporate functions could be managed in a more cost effective and practicable manner; savings arising from centralisation purchasing; and any other organisational matters affecting parliamentary administration during the review. The premise of the review was that any changes in administration must maintain or enhance the quality of services to senators and members.⁶

8.5 The review found potential for significant improvements in administrative effectiveness by:

- centralisation of some activities to achieve economies of scale that are not possible in five small parliamentary departments operating independently;
- enhanced standardisation of systems and software across departments;
- improved coordination between the departments; and
- clarification and simplification of management and governance arrangements.⁷

8.6 In relation to management and corporate functions, the Podger Review provided two major options for consideration:

- *Option 1:* incremental improvement by way of a shared-services centre providing transactional processing management and corporate services to the five parliamentary departments under a cooperative purchaser/provider model; and

3 *Managing the Parliament: The Way Ahead, Report by a working group to the heads of the Parliamentary Departments*, 17 March 1997.

4 Senate Standing Committee on Appropriations and Staffing, *Inquiry into the Proposed Amalgamation of the Parliamentary Departments*, June 1997.

5 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002.

6 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 3.

7 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 3.

- *Option 2*: amalgamation of the three service provision parliamentary departments. This option included additional recommendations in relation to the independence of the Parliamentary Librarian and resources and services provided to the Library.⁸

8.7 The Podger Review supported the amalgamation of the three service provision departments as it considered that this option offered significantly greater gains. If this option were to be implemented, the Parliament would be serviced by the two chamber departments and a single 'joint' or amalgamated services department.

8.8 The Podger Review judged that 'salary savings of \$3 million a year in the corporate area would be achievable in the medium term (2–3 years). Allowing for on-costs and overheads, this would generate savings of the order of \$5 million a year'.⁹

8.9 Other recommendations included that a centralised security organisation be established; the Senior Management Coordination Group (SMCG) assume greater responsibility for coordinating strategic ICT issues; the SMCG be given formal responsibility for procurement of common items in circumstances where there is benefit to the parliamentary departments to do so; and a team be established to manage the implementation process.¹⁰

8.10 The Podger Review concluded:

The proposed new management and governance arrangements for security are primarily aimed at improving the quality, efficiency and appropriateness of security at Parliament House – to ensure the security function is equipped to deal with the new more challenging environment in which the Parliament operates. These proposals are not aimed at making savings – it is likely that, in the short term, costs would increase marginally.

We estimate that implementation of a shared-services centre for HR, finance and office services transactional-processing activities could generate modest efficiencies of \$1.5 million per year.

It is our judgment that the preferred option of amalgamation of the service-provision departments would generate cost efficiencies of the order of \$5 million to \$10 million a year once fully phased in.

Realising this potential could free resources that the Presiding Officers could redirect to other parliamentary priorities, e.g. to meet the financial pressures likely to emerge for improvements in security, to improve the quality of services provided to Senators and Members or to generate

8 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 8.

9 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 52.

10 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 8.

productivity improvements needed to support future Certified Agreements for parliamentary staff.¹¹

8.11 In his submission to the committee's inquiry, Mr Podger noted his recommendation to amalgamate the then three service departments into one department and added:

In recommending this option, however, I did not mean to rule out the use of 'shared services' agreements amongst the three remaining departments, where any one of them might provide relevant technical support to the other two, though my assumption was that DPS would be the main provider of common services to both Houses of Parliament.¹²

Consideration of the Podger Review

8.12 The Podger Review was considered by the Senate Standing Committee on Appropriations and Staffing in June 2003. The Appropriations and Staffing Committee was concerned by the lack of evidence for the savings claimed in the amalgamation proposal and the lack of independent verification of the figures.¹³

8.13 At the same time, the Appropriations and Staffing Committee commented on the need to fund enhanced security measures at Parliament House as a consequence of the changed security environment. In April 2003, the Minister for Finance and Administration advised the Presiding Officers that the Government would provide funding of \$25.5 million over four years for enhancement of security. However, savings would need to be made against the appropriations for the parliamentary departments of equivalent amounts over the last three of those four years through the introduction of efficiencies either by implementing the recommendations of the Podger Review or by alternative means.¹⁴

8.14 The Appropriations and Staffing Committee stated:

The requirement to find offsetting savings of this quantum changes the dynamics of the consideration of the review. The review arose as an assessment of potential administrative and organisational savings measures, which could be returned in the form of enhanced services to senators and members (as maintained throughout the review document). In the new budget context, it becomes a search for cuts required by the Government to

11 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, p. 58.

12 Mr Andrew Podger, *Submission 11*, p. 3.

13 Senate Standing Committee on Appropriations and Staffing, *Review of aspects of parliamentary administration, 39th report*, June 2003, p. 3.

14 Department of Parliamentary Services, *Annual Report 2003–04*, p. 65. Until 1 February 2004, funding for security was provided to the Department of the Senate and the Department of the House of Representatives. With the establishment of DPS on 1 February 2004, funding of security was provided to DPS.

meet unforeseen costs for the enhancement of security at Parliament House.¹⁵

8.15 The Appropriations and Staffing Committee agreed that a resolution proposing the amalgamation of the three service departments and ensuring the independence of the Parliamentary Librarian, proposed by the President, be put to the Senate for determination. The Senate agreed to the amalgamation on 18 August 2003 and further resolved:

(1A) Any savings achieved by the amalgamation may be used to offset increases in costs of security measures approved by the Presiding Officers for Parliament House, but if those increases in costs exceed those savings, the appropriations for the Parliamentary departments are to be supplemented for the excess; and

(1B) Any redundancies arising from the amalgamation must be of a voluntary nature and that no staff will be forced to take involuntary redundancies as a result of the amalgamation.¹⁶

(2) The Senate supports the Presiding Officers in the following endeavours:

- (a) to reinforce the independence of the Parliamentary Library by strengthening the current role of the Library committees of both Houses of Parliament;
- (b) to bring forward amendments to the *Parliamentary Service Act 1999* to provide for a statutory position of Parliamentary Librarian within the new joint service department and conferring on the Parliamentary Librarian direct reporting responsibilities to the Presiding Officers and to the Library committees of both Houses of Parliament;
- (c) to ensure that the resources and services to be provided to the Parliamentary Library in the new joint service department are specified in an annual agreement between the Departmental Secretary and the Parliamentary Librarian, approved by the Presiding Officers following consideration by the Library committees of both Houses of Parliament; and
- (d) to consider, after the establishment of the joint service department, that department providing human resources and financial transaction-processing activities for all the Parliamentary departments, subject to such an arrangement being proven to be both cost-effective and efficient.¹⁷

15 Senate Standing Committee on Appropriations and Staffing, *Review of aspects of parliamentary administration*, 39th report, June 2003, p. 3.

16 *Journals of the Senate*, 2003, pp 2180–83.

17 *Journals of the Senate*, 2003, pp 2180–83.

8.16 The House had already agreed to a similar resolution on 14 August 2003.¹⁸ The Department of Parliamentary Services (DPS) was established with effect from 1 February 2004.¹⁹

Australian National Audit Office performance audit

8.17 In June 2006, the Australian National Audit Office (ANAO) reported on its performance audit, *Implementation of the Parliamentary Resolutions Arising From the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*.²⁰ The audit arose out of advice by the Joint Committee of Public Accounts and Audit, in August 2003, that the administration of the parliamentary departments represented an audit priority.

8.18 The ANAO audit findings included that there had been improvement in the management and coordination of Parliament House security services and the substance of the recommendation in relation to physical security had been met.²¹

8.19 In relation to the amalgamation of the three service departments, the ANAO acknowledged the 'significant efforts' undertaken by DPS to form the new department but considered that a more formal planning process could have been put in place. In addition, the chamber departments and DPS had chosen differing Human Resource Management Information Systems and Financial Management Information Systems which 'has not provided a foundation for the parliamentary departments to efficiently move in the future towards a shared services centre'. The ANAO found that, while not all the efficiencies envisaged by the Podger Review had been realised, DPS had been able to absorb reductions in departmental appropriations of approximately \$6 million per annum with only minor changes to its services.²²

8.20 The ANAO also commented on the Podger Review's other recommendations:

- Parliamentary Library: two of the three parliamentary resolutions in relation to the Parliamentary Library had been implemented with the third, an annual resourcing and services agreement, to commence in 2006–07;
- SMCG: the recommendations that the SMCG assume a greater role in relation to ICT and that it take on responsibility for procurement of common items had not been adopted;

18 *Votes and Proceedings*, 2003, p. 1079.

19 Department of Parliament Services, *Submission 3*, Attachment 1, p. 1.

20 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*.

21 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, pp 33–34.

22 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, pp 47–48.

- measurement of client services: while there was a framework in place to measure and report service levels, the ANAO considered that there was scope to improve how service levels are measured by including timeliness or responsiveness indicators. The ANAO considered that a survey to measure client satisfaction should be undertaken in the post-amalgamation environment; and
- Parliament House accommodation: the ANAO noted that a number of reviews of accommodation had been undertaken which had all identified the shortfall of accommodation space in Parliament House. It was also noted that the number of staff in the parliamentary departments had not declined significantly since the Podger Review. In addition, in 2006 the SMCG had outlined a strategy to assess short and long-term accommodation requirements of all occupants of Parliament House.²³

Review by the Parliamentary Service Commissioner

8.21 In 2007–08, with the agreement of the Presiding Officers, the then Parliamentary Service Commissioner, Ms Lynelle Briggs, undertook a review of the implementation of the amalgamation of the three service departments. The Commissioner reported to the Presiding Officers on 16 June 2008 that:

The general conclusion was that, while it is difficult to isolate and measure change that has happened as a direct result of amalgamation and change that has occurred, and is still occurring, as a result of management intervention following amalgamation, the two together have delivered significant financial savings to the Australian public.²⁴

8.22 The Parliamentary Service Commissioner also stated that further savings were possible through the full implementation of the Podger recommendations, particularly the establishment of a shared services centre to provide HR and financial transaction-processing activities for all the parliamentary departments. It was noted:

The review considered that the duplication of functions in the three existing departments was not cost effective and that efficiency gains could be achieved through the economies of scale a shared services centre would provide.²⁵

8.23 The Parliamentary Service Commissioner made five recommendations:

- that priority be given to investigating and implementing a shared service centre;
- that the terms of reference for the SMCG be amended to include oversight of strategic ICT for the whole of Parliament, that DPS provide more senior

23 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, pp 12–15.

24 Parliamentary Service Commissioner, *Annual Report 2007–08*, p. 3.

25 Parliamentary Service Commissioner, *Annual Report 2007–08*, p. 5.

representation for SMCG and that the Chief Information Officer position be established as part of the new shared services centre;

- that SMCG review procurement activity on a regular basis to ensure effective operation of existing arrangements and to monitor unnecessary duplication and to consider the effective implementation of central procurement guidance that requires coordination between the three parliamentary departments;
- that the Project Assessment Committee conduct a regular self-assessment process of its performance and effectiveness; and
- that the three parliamentary departments establish a working party to develop a strategy for promoting whole-of-parliament working, cooperate to provide regular training on the Parliamentary Service Values to staff, and review their processes for embedding the Parliamentary Service Values into their governance and performance management arrangements.²⁶

8.24 In commenting on these recommendations, the current Parliamentary Services Commissioner, Mr Stephen Sedgwick, stated that they 'emphasised the desirability of looking for better ways for the parliamentary departments to continue to work together to take advantage of strategic opportunities and achieve economies of scale not available to smaller organisations'.²⁷

8.25 The Presiding Officers sought a joint response from the heads of the three parliamentary departments to the recommendations made by the Parliamentary Service Commissioner and a working group was established to consider a shared services centre. The majority of the other recommendations were supported.²⁸

Further efficiencies

8.26 Over the last three years, DPS has sought further efficiencies and cost savings with the Department of the House of Representatives commencing provision of payroll services to DPS during 2009–10. During 2010–11, the parliamentary departments continued work towards common service arrangements across the departments with developments including:

- a furniture style guide to provide a model for the procurement of administrative office furniture throughout Parliament House;
- collaboration on a comprehensive services catalogue; and
- a joint protective security policy for the parliamentary departments encompassing physical security, personnel security and ICT security.²⁹

26 Parliamentary Service Commissioner, *Annual Report 2007–08*, p. 6.

27 Australian Parliamentary Service Commissioner, *Submission 15*, p. 3.

28 Parliamentary Service Commissioner, *Annual Report 2008–09*, p. 4.

29 Parliamentary Service Commissioner, *Annual Report 2010–11*, p. 5.

Efficiencies and savings achieved through amalgamation of the three service departments

8.27 The Podger Review commented that significant savings, from \$5 million to \$10 million per year once fully implemented, could be gained through potential cost efficiencies of the amalgamation of the three services departments.³⁰ The actual savings were estimated at \$5.2 million with savings in the order of \$3.7 million in the first year.³¹

8.28 The level savings and the costs of implementation were explored during the May 2003 Budget estimates hearings. The costs of implementation of the amalgamation, including redundancies, were estimated at \$1.2 million. This figure was seen as 'optimistic' by the then Clerk of the Senate, Mr Harry Evans.³² DPS also advised the ANAO that, as at 30 January 2006, the estimated total cost of the amalgamation was \$1.6 million.³³

8.29 DPS indicated in its 2003–04 Annual Report that 'guaranteed' net savings from staff reductions was close to \$1.5 million and that 'the savings from staff reductions so far achieved is considerably less than that predicted in the Podger Report'. Other savings from on-costs, overheads and economies of scale were around \$0.6 million per annum.³⁴

8.30 During the Budget Estimates 2004–05, the then Secretary of DPS, Ms Hilary Penfold, stated that DPS would be unable to find \$5 million worth of savings in the first year following the amalgamation and 'probably not for quite a lot of years, if ever'.³⁵ Ms Penfold went on to state:

One of the difficulties is that we have not until now been in a position to go to the department of finance and actually say, 'Here are the savings, and you can see that they are nowhere near \$5 million.' That is what we will be doing in August in the context of additional estimates. We will be showing the department of finance where we have made direct, obvious savings, where we think there might be some scope for more efficiencies and then where we will have to make cuts to make up the rest of those savings. They

30 Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament, *Final Report*, September 2002, pp 6–7.

31 Senator the Hon. Paul Calvert, President of the Senate, *Budget Estimates Hansard*, 26 May 2003, pp 24–25.

32 Mr Harry Evans, Clerk of the Senate, *Budget Estimates Hansard*, 26 May 2003, p. 25.

33 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, p. 47.

34 Department of Parliamentary Services, *Annual Report 2003–04*, pp 66–67.

35 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2004, p. 29.

will then have to decide whether they are prepared to fund those services continuing or whether that is what they want done.³⁶

8.31 Ms Penfold quantified the savings attributable to the amalgamation as 'just under \$2 million' at the Budget Estimates 2006–07. Ms Penfold went on to state that DPS had provided this information to the Department of Finance and Administration (Finance) as the DPS appropriation had been reduced by \$5 million but Finance, while giving an undertaking to look at the information, 'never have'.³⁷

8.32 The committee has only been able to identify limited additional evidence in relation to the savings arising from the amalgamation, notwithstanding that savings had been a central aim of the Podger Review's recommendations. In 2004, for example, a consultancy report was provided to DPS following a Financial Assessment and Due Diligence Review of the three former departments. The report estimated the savings arising from the amalgamation at between \$2.2 million and \$2.4 million per year excluding transition costs. The ANAO noted that this report was provided in March 2004, following DPS's establishment on 1 February the same year.³⁸

8.33 The ANAO's performance audit also noted that, following a 2003–04 Budget decision, DPS had absorbed a reduction in appropriations of \$6 million per annum. Of this amount, DPS identified approximately \$2 million per annum in savings directly attributable to the amalgamation, offset by the estimated \$1.6 million cost of amalgamation as at 30 January 2006. The ANAO commented that while not all the efficiencies envisaged by the Podger Review had been realised, DPS had absorbed the reduction in its appropriations and had advised that there were only minor changes to services.³⁹

8.34 In his submission to the committee, Mr Podger commented that he was not aware of any formal evaluation to test the savings achieved by the amalgamation but he understood from evidence provided at estimates hearings that 'there was broad acceptance amongst the heads of the three departments that useful efficiencies had been achieved notwithstanding some earlier scepticism'.⁴⁰ He stated that:

I also envisaged that the gains from amalgamation would enable a shift in resources from internal management towards the provision of improved services to Senators and Members, as mentioned in my letter of transmittal to the Presiding Officers. I did not recommend direct savings to the budget

36 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2004, p. 30.

37 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 22 May 2006, p. 29.

38 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, p. 45.

39 Australian National Audit Office, Audit Report No. 51 2005–2006, *Implementation of the Parliamentary Resolutions Arising from the Review by the Parliamentary Service Commissioner of Aspects of the Administration of Parliament*, p. 48.

40 Mr Andrew Podger, *Submission 11*, p. 4.

though I did expect some of the gains should be used to meet the requirements of the then efficiency dividend and contribute to the productivity offsets required for the then impending pay agreement.⁴¹

8.35 Mr Podger also noted the possible effect of the efficiency dividend on services to senators and members:

I am not in a position to assess whether services to Senators and Members have improved. I should think the new arrangements have improved broader strategic advice and management in the Parliamentary Service, but I fear the cumulative effect of the efficiency dividend and limited price adjustment for wage increases in the years since amalgamation may include the clawing back of any service improvements.⁴²

8.36 Mr Podger added:

I suggested in the report that further consideration be given to rationalising the responsibilities of the Parliamentary Service and the Department of Finance in the administration of the Parliament, including beyond the confines of Parliament House. Again, I was not focussing on savings but on more coherent and effective support for Senators and Members. I understand some progress has been made in the area of IT, which I specifically mentioned. There may still be scope for improved support for facilities, but I do understand the argument that Finance should retain responsibility for Senators' and Members' entitlements, given that Department's greater arms' length separation from individual Parliamentarians and its financial discipline.⁴³

8.37 The DPS submission did not provide any assessment of efficiencies achieved as a result of the amalgamation. Instead, it focussed on the challenges of providing appropriate levels of service given the decline of its operating budget.⁴⁴

Department of Parliamentary Services budget

8.38 In addition to the funding decrease experienced as a consequence of the amalgamation and increased security costs, DPS has faced tighter fiscal circumstances due to budget decisions regarding levels of appropriations and the effect of the efficiency dividend.⁴⁵ The following discussion provides an overview of the DPS budget since its establishment in 2004.

41 Mr Andrew Podger, *Submission 11*, p. 4.

42 Mr Andrew Podger, *Submission 11*, p. 4.

43 Mr Andrew Podger, *Submission 11*, p. 4.

44 Department of Parliamentary Services, *Submission 3*, p. 17.

45 The efficiency dividend was introduced in the 1987–88 Budget as an annual 1.25 per cent reduction of departmental funding. The dividend has changed over the years: reducing to 1 per cent in the 1994–95 and increasing again to 1.25 per cent in 2005–06. From 2011–12 it was increased to 1.5 per cent. The Commonwealth has also imposed higher one-off dividend payments of 2 per cent in 2008 and 2.5 per cent for the 2012–13 financial year.

8.39 In 2002–03, the combined departmental appropriations for the three parliamentary service departments was \$105.5 million. The combined departmental appropriations (three service departments and DPS part year) for 2003–04 was \$98.9 million.⁴⁶ The 2004–05 DPS budget reflected a \$4.84 million decrease related to a 2003–04 budget decision to reduce the appropriations to the then five departments by \$6.14 million to offset the funds provided for increased security. Following the transfer of security funding from the chamber departments to DPS, the entire \$6.14 million reduction was applied to the DPS budget. DPS received a one-off supplementation of \$1.3 million in recognition that the chamber departments could not find the required savings in the first year.⁴⁷

8.40 In subsequent years, DPS's budget has reflected the effects of the efficiency dividend and other budget decisions. DPS provided its 'adjusted operational appropriation' for 2000–01 to 2011–12 to illustrate the impact.

Table 8.1: DPS adjusted operational appropriation 2000–01 to 2011–12

Financial year	Adjusted operational appropriation \$000
2000–01	98,474
2001–02	101,542
2002–03	102,566
2003–04	102,046
2004–05	93,271
2005–06	92,700
2006–07	94,507
2007–08	96,398
2008–09	98,585
2009–10	100,302
2010–11	101,545
2011–12	102,932

Source: Department of Parliamentary Services, Submission 3, Attachment A, p. 7.

8.41 DPS stated that the adjusted appropriation figures are the operational appropriation including new policy proposal funding for each financial year. For 2000–01 to 2003–04, the combined appropriations for the three former service departments have been adjusted for depreciation funding. The 2004–05 to 2009–10 figures are the operational appropriation less depreciation. The 2010–11 and 2011–12

46 Department of Parliamentary Services, *Annual Report 2003–04*, pp 97, 159, 205 & 241.

47 Department of Parliamentary Services, *Annual Report 2004–05*, pp 12–13.

reflect the use of capital budget statements. The 2011–12 figure also excludes the one-off pre-election funding for the Parliamentary Library.⁴⁸

8.42 DPS reported a reduction in real funding of 19 per cent between 2000–01 and 2008–09.⁴⁹ DPS also provided the committee with an indication of the decline in its budget in terms of purchasing power. DPS noted that since 2000–01, the Consumer Price Index (CPI) has increased by 35 per cent while DPS operational funds increased by around 4 per cent. Taking the period from the commencement of DPS, the operational budget increased by less than 1 per cent, while the CPI increased by 25 per cent.⁵⁰ However, DPS indicated that it had faced significant cost increases above the CPI for many of the services and products purchased externally (for example, water, electricity, gas and external guarding) and it had in place certain contracts (notably cleaning and equipment maintenance) where costs were linked to CPI.⁵¹ For example, at the Budget Estimates 2009, DPS commented that it would have to find savings of some \$4.5 million due to increased costs for electricity, Comcare and Comcover premiums, Australian Protective Services to secure the perimeter of Parliament House, and wage increases for DPS staff.⁵²

8.43 In addition, DPS, as with both Chamber departments, has had to take account of the fluctuations in workload and cost, as a result of the changes in parliamentary activity.⁵³ For example, the 2008–09 DPS Annual Report stated:

In the shorter term our operational budget is under considerable pressure. The work rate of a new Government has greatly increased the level of parliamentary activity, including chamber business and committee business. There is a flow-on increase in DPS operating costs. However, the available operating funds for DPS have changed very little for nine years; in terms of purchasing capacity our budget has declined significantly over this period. Without extra funds, we will therefore continue to operate with increasing frugality.⁵⁴

8.44 DPS indicated that the additional one-off 2.5 per cent efficiency dividend imposed in 2012–13 would result in a reduction in its operating appropriation of approximately \$2.6 million in 2012–13, \$2.6 million in 2013–14, and \$2.7 million in

48 Department of Parliamentary Services, *Submission 3, Attachment A*, p. 7.

49 Joint Committee of Public Accounts and Audit, *Report 413 The efficiency dividend and small agencies: Size does matter*, p. 24.

50 Department of Parliamentary Services, *Submission 3, Attachment A*, pp 6–7.

51 Joint Committee of Public Accounts and Audit, *Report 413 The efficiency dividend and small agencies: Size does matter*, DPS Submission, p. 5.

52 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 25 May 2009, p. 19.

53 Department of Parliamentary Services, *Submission 3, Attachment 1*, p. 5.

54 Department of Parliamentary Services, *Annual Report 2008–09*, p. 12.

2014–15 and 2015–16.⁵⁵ The departmental capital program would reduce by approximately \$2.4 million in 2012–13, rising to a reduction of approximately \$5.4 million in 2014–15.⁵⁶

8.45 DPS has received a number of additional appropriations including funding for security upgrade work in and around Parliament House in the 2010–11 Budget.⁵⁷ From late 2011, DPS took on responsibility for electorate office information technology from the Department of Finance and Deregulation. Additional funding was also received for this new program. Additional funding has also been provided in recognition of increased workload. For example, in 2011–12 some \$337,000 was provided as a consequence of the increase in activity in the House of Representatives and its committee system. However, DPS noted that the effect of the efficiency dividend was such that 'the net effect of any increases is that we have some funding increase but is well below CPI increases for the year'.⁵⁸

8.46 The Presiding Officers have also raised the changes to the DPS budget with the committee. The Presiding Officers noted that 'the context for the work of DPS is defined by the very tight fiscal environment in which it works'. The Presiding Officers went on to comment:

For the financial year 2011–12, DPS received an operational appropriation of \$103 million. This represents a modest increase of about \$1 million, or less than one per cent of its budget, since DPS commenced operations in 2003–04. The funding of DPS has not grown in line with the rising cost of doing business. Considering the rise in inflation of around 25 per cent over the past eight years, the operational funding of DPS has effectively decreased in real terms by more than \$20 million. Based upon the most recent budget papers, this steady decline in purchasing power will continue into the foreseeable future.⁵⁹

Response to budget changes

8.47 DPS indicated that in order to fund the efficiency dividend, it has sought savings through the introduction of cost savings measures and the reduction of staff numbers 'but most "no regrets" savings have been achieved'.⁶⁰ DPS noted that,

55 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–2012, Department of Parliamentary Services, *Answer to question on notice No. 64*.

56 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–2012, Department of Parliamentary Services, *Answer to question on notice No. 65*.

57 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 24 May 2010, p. 11.

58 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 17; see also CPSU, *Submission 16*, p. 2.

59 Senator the Hon. John Hogg, President of the Senate, letter to the committee, dated 13 September 2011.

60 Department of Parliamentary Services, *Submission 3*, Attachment 1, p. 6.

wherever possible, it has sought to minimise the effect of savings measures on parliamentarians.⁶¹

8.48 In relation to cost saving measures, DPS stated that savings measures include:

- rationalisation of corporate services following the amalgamation and subsequently, DPS has entered into a shared services model for payroll services, which are now provided to DPS by the Department of the House of Representatives;
- reform of work practices and systems in various areas such as security;
- reduction of the area of the building to be painted each year by 40 per cent with painting targeted to areas of identified need;
- support of interstate committee hearings by a single officer, rather than the previous practice of sending two officers (Hansard and broadcasting);
- adoption of new technology to assist with service delivery, for example an increasing proportion of Parliamentary Library work is conducted via electronic service delivery; and
- transfer of staff and storage to Parliament House from offsite locations where DPS had been paying rent.⁶²

8.49 At the February 2012 Additional Estimates, DPS commented that it was reviewing its capital program to meet the 20 per cent reduction to departmental capital budget.⁶³ Dr Dianne Heriot, Parliamentary Librarian, commented on the effect of reduction of 20 per cent in the Library's capital budget:

It will effectively impact on our reference collection. Around one in four, net effect, reference titles will be cancelled and one in four monographs will not be purchased. We are still working though this in our collections development area. It is likely that the impact of the impost may not be felt until the financial year after this coming one, as we pay subscriptions and things like that towards the end of the financial year. But we are going through working out cuts to meet the new measure.⁶⁴

8.50 DPS also noted that as staffing costs are a large part of its budget, 61.4 per cent in 2011–12 (up from 55 per cent of operating budget in 2005⁶⁵), it would be difficult to absorb the efficiency dividend without any impact on the overall budget

61 Department of Parliamentary Services, *Submission 3*, Attachment 1, p. 8.

62 Department of Parliamentary Services, *Submission 3*, Attachment 1, p. 8.

63 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–2012, Department of Parliamentary Services *Answer to question on notice No. 65*.

64 Dr Dianne Heriot, Parliamentary Librarian, Department of Parliamentary Services, *Budget Estimates Hansard*, 21 May 2012, p. 76.

65 Ms Hilary Penfold, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2005, p. 27.

for staff costs.⁶⁶ The committee notes the change in the number of DPS staff: full-time equivalent (FTE) staff at July 2004 (the first full year of DPS operations) was 866 and at May 2010 was 731, a drop of 135. Staffing levels at August 2009 were 771 and at May 2010 were 731, a reduction of 40.⁶⁷ The reductions during this time were found through transfer of the DPS payroll function to the Department of the House of Representatives (8 FTE); efficiencies in security operations (18 FTE) and facilities section (8 FTE); reorganisation of SES responsibilities (1 FTE); and other reductions (5 FTE). In 2010–11 staff levels were reduced by over 20 FTE.⁶⁸

8.51 In relation to the reorganisation of SES responsibilities in 2009–10, Mr Thompson commented at the 2011 Budget Estimates:

We were very conscious of our budget outlook. It has basically been the same number of dollars for 11 years. Each year DPS and its predecessor organisations have been making do with a bit less real purchasing power. Two-and-a-bit years ago we worked out a way we could run the place effectively with one less SES officer. That officer left to go and work on the upcoming CHOGM in Perth. Since that officer left we divided up the corporate functions across a range of SES officers. The chief finance officer took on some additional responsibilities, I took on some additional responsibilities and the librarian took on some additional responsibilities.⁶⁹

8.52 The committee notes that the responsibilities taken on by the Parliamentary Librarian were those of the DPS human relations section. Mr Thompson went on to state that a further reconfiguration of staffing was taking place, and once finalised, the Parliamentary Librarian no longer has responsibility for the human resource function.⁷⁰

8.53 DPS advised that a further reduction of around six staff were planned for 2011–12:

...as a result of the declining purchasing power of the DPS operational budget for 2011–12. It was noted that these reductions would be achieved largely through natural attrition but voluntary redundancies will be offered in line with the Parliamentary Service Act and the DPS employment agreement.⁷¹

66 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–2012, Department of Parliamentary Services, *Answer to question on notice No. 64*.

67 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2010–11, Department of Parliamentary Services, *Answer to question on notice No. P13*.

68 Senate Finance and Public Administration Legislation Committee, *Budget Estimates 2011–12*, Department of Parliamentary Services, *Answer to question on notice No. 25*.

69 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 28.

70 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 29.

71 Senate Finance and Public Administration Legislation Committee, Budget Estimates 2011–12, Department of Parliamentary Services *Answer to question on notice No. 25*.

8.54 As at 18 January 2012, the FTE was 706.32.⁷² In 2012–13, a further reduction of 18 FTE is expected.⁷³

8.55 DPS also noted the increase in the number of non-ongoing staff (which includes casuals). It stated that this was 'largely related to the steady decline in purchasing power of the DPS operational budget since 2004' with various branches seeking to contain and reduce costs 'including by making changes in the balance of ongoing and non-ongoing staff'. The numbers of non-ongoing staff rose from 76 in 2007–08 to 106 in 2010–11. This represents an increase in the proportion of non-ongoing staff from 8.2 per cent in 2007–08 to 12.6 per cent in 2010–11 with the Content Management Branch having the greatest proportion of non-ongoing staff (22.7 per cent).⁷⁴

8.56 The effects of DPS's declining budget and the efficiency dividend on the building, the provision of services and the impact on staff were raised with the committee. The Presiding Officers commented on the continued application of the efficiency dividend and stated that the ability of DPS to meet the needs of the Parliament is being compromised:

The ability of DPS to meet the evolving needs of the Parliament is compromised by the application of Government efficiency dividend funding reductions over many years. We have worked with DPS to find more efficient and alternative ways of delivering services. As a consequence, staffing levels have been reduced and, where necessary, particular services have ceased or have been modified. The continuation of this situation has the potential to adversely affect day-by-day service delivery for the Parliament, and could also compromise the long-term maintenance of this iconic building.⁷⁵

8.57 The Joint Standing Committee on the Parliamentary Library also pointed to impact of the efficiency dividend on the Parliamentary Library and consequently the Parliament. The Committee commented:

Each year the Committee considers and makes a recommendation to the Presiding Officers on the resource agreement between the Parliamentary Librarian and the Secretary of DPS. This year the Committee advised that it was concerned about the resources available to the library, in particular, the adequacy of the resources to provide research services that meet the needs of Parliament, skills for delivery of online services and digitisation of

72 Senate Finance and Public Administration Legislation Committee, Additional Estimates 2011–2012, Department of Parliamentary Services, *Answer to question on notice No. 64*.

73 Department of Parliamentary Services, *Portfolio Budget Statements 2012–13, Budget Related Paper No. 1.20C*, p. 32.

74 Department of Parliamentary Services, *Answers to Questions on Notice*, 19 January 2012, pp 7–9.

75 Senator the Hon. John Hogg, President of the Senate, letter to the committee dated 13 September 2011.

collection material, in particular radio and television programs. The committee has expressed concerns about resources for a number of years.

The Library has, before and since the creation of DPS, experienced over a decade of efficiency dividend reductions and has achieved significantly improved productivity from its resources. A consequence of the efficiency dividend has been a reduction in the ability to purchase information resources for use by Senators and Members. Achieving further efficiencies to fund the pay increases necessary to attract and retain skilled staff and meet efficiency dividend reductions without significant cuts in services is a very difficult task. The pressure of increasing costs and the efficiency dividend will lead to a further reduction in the number of staff delivering research services, simply because of the predominance of salaries in the Research Branch budget (99%).

The committee considers that adequate funding for library services is essential for a well functioning parliament.⁷⁶

8.58 DPS pointed to the difficulties of maintaining assets with a declining budget. DPS stated:

In the medium to long-term, the decline in purchasing power will also affect the ability of DPS to maintain the assets of Parliament House to an acceptable standard of reliability. The decline in purchasing power also makes it very difficult to establish and deliver on more rigorous standards for IT services.⁷⁷

8.59 In relation to the capital budget, DPS commented:

...the purchasing power of our operating budget is steadily declining. This budget is used to provide day-to-day services, AND to maintain Parliamentary assets. Careful investment of capital funds can partially offset this decline in purchasing power of the operating budget, but we believe there will soon need to be a different approach to operational funding to prevent unacceptable deterioration of key assets leading to an unnecessarily early requirement for renewal.⁷⁸

8.60 DPS also commented in February 2012 that it was reviewing its capital program to meet the 20 per cent reduction to the departmental capital budget.⁷⁹

8.61 Concerns about the long-term impact of lower spending on the building were raised by Ms Pamille Berg. While acknowledging the effort to maintain the building, Ms Berg commented:

I have heard that over the period of, say, the last 13 years there has been a roughly 30 per cent drop in the money which is available to maintain the

76 Joint Standing Committee on the Parliamentary Library, *Submission 6*, p. 1.

77 Department of Parliamentary Services, *Submission 3*, Attachment A, p. 9.

78 Department of Parliamentary Services, *Submission 3*, p. 14.

79 Senate Finance and Public Administration Legislation Committee, *Additional Estimates*, February 2012, Answers to Questions on Notice, No. 65.

building. When you then take inflation and the fact that the maintenance requirements are inevitably rising because it is getting older—it is not new anymore—that is a very significant impost.⁸⁰

8.62 The CPSU commented that many agencies, particularly smaller agencies like DPS, have run out of 'efficiencies', and instead reduce services or cut staff as they manage long-term cuts to budgets.⁸¹ While DPS indicated that it has sought to minimise the effect of savings measures on parliamentarians, the CPSU argued that continued savings measures will have an effect on services as well as placing additional pressure on staff:

A reduction in staffing levels, combined with an increased workload is placing unreasonable pressure on staff, and will ultimately result in a decreased quality of parliamentary services provided, or will lead to some services no longer being provided at all.⁸²

8.63 Mr Leo Vukosa, CPSU staff representative, provided evidence on the effect of savings measures on staff, particularly staff turnover. Mr Vukosa commented:

I am finding at the moment that the staff turnover is directly related to the efficiency dividend and the extra pressures put on the staff to perform greater services and produce greater outputs than before with fewer resources. Where before these used to be more tolerance of people whose work output was a little lower for a number of reasons than their colleague, these days that tolerance is much lower because of the lesser number of staff to perform those duties. They are asking a lot more of the staff for the same amount of money that they were getting in other agencies, where there was less pressure and less work.⁸³

8.64 These comments echoed those received by CPSU from its members in DPS and pointed to concerns in many areas of the department:

Professional development opportunities refused for attendance at relevant industry exhibitions and conferences. Staff who have left not being replaced. Ongoing positions being converted to non-ongoing.

Due to funding constraints, partly related to the efficiency dividend, Hansard's quality control and travel procedures have been substantially altered.

Hansard is no longer checked adequately.

Full-time staff have been cut and Hansard officers can rarely attend interstate committee hearings.

Further reluctance to provide training.

80 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 6.

81 CPSU, *Submission 16*, p. 2.

82 CPSU, *Submission 16*, p. 2.

83 Mr Leo Vukosa, CPSU, *Committee Hansard*, 2 May 2012, p. 13.

Effect on recruitment. Almost all of the Research Branch budget is spent on staff.

Staffing is the only area where savings can be made to meet the efficiency dividend.

The freeze on recruitment means that significant expertise and knowledge is lost when staff leave and/or retire. It means that resources are spread thinly and staff are doing more with less. It also means that DPS is exposed to significant gaps in knowledge as there is no capacity for succession planning.

Less money in budget = less guides, but the number of school visits and public numbers is constant if not increasing.⁸⁴

8.65 Concerns about the effect of the efficiency dividend on small agencies are not new. In 2008, the Joint Committee of Public Accounts and Audit (JCPAA) undertook an inquiry into the effect of the efficiency dividend on smaller public sector agencies. It noted, in relation to the parliamentary departments, that the Department of the House of Representatives and DPS advised the JCPAA that they would soon consider service cuts if current budgetary circumstances continue. Both departments reported budget decreases in real terms since 2000–01: 11 per cent and 19 per cent respectively.⁸⁵

8.66 DPS's submission to the JCPAA stated that the department had little room for further efficiencies:

Put simply, costs have been growing at a rate greater than revenues since the formation of the DPS in 2004. To date, persistent cost cutting has kept expenditure in line, or slightly below available revenue. It is unlikely that further early gains are available without dramatic re-engineering given that DPS has already identified a range of efficiencies from the CIR process, all of which will have been implemented by the end of 2008...⁸⁶

There is a real possibility that any future savings measures or funding future pay increases will only be achieved by cutting employee numbers and/or activities, including services to Senators and Members.⁸⁷

8.67 The Joint Standing Committee on the Parliamentary Library also provided a submission to the JCPAA and stated that the cumulative effect of the efficiency dividend and rising costs means that senators and members are able to access fewer resources each year. It reported that 'without further funding for the collection,

84 CPSU, *Submission 16*, pp 2–3.

85 JCPAA, Report 413: *The Efficiency Dividend: Size does matter*, 4 December 2008, p.xx.

86 JCPAA inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies, Department of Parliamentary Services, *Submission 29*, p. 8.

87 JCPAA inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies, Department of Parliamentary Services, *Submission 29*, p. 9.

Senators and Members will not be able to fully and effectively respond to issues in the Parliament'.⁸⁸

8.68 The JCPAA recommended that the Government establish a parliamentary commission to recommend funding levels for the parliamentary departments in each Budget, a practice common in other Westminster countries.⁸⁹ In its response to the report, the Government noted the JCPAA's recommendation but stated:

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.⁹⁰

8.69 Mr Andrew Podger's submission to the committee's inquiry summarised key concerns raised in his submission to the JCPAA inquiry:

We highlighted the combined impact of the dividend and the process for (partial only) price adjustment of departmental expenses, concluding that its assumption of productivity gains of around 3 per cent a year, year on year, was not realistic. The arrangements have no economic logic to them. A more appropriate way of promoting efficiency would be to withdraw the dividend entirely and use the CPI, an output-based indicator reflecting national productivity gains, to adjust departmental expenses. We noted the current arrangements are particularly problematic for small agencies, such as the Parliamentary departments, and inevitably lead to cuts in activities and not just improved efficiency. There is also the risk of certain public service agencies 'gaming' new policy proposals to compensate for the impact of the current arrangements.⁹¹

8.70 Mr Podger also commented on the Government's response to the JCPAA recommendations and while stating that he would 'have no objection to occasional across-the-board cuts in departmental expenses to force re-prioritisation of activities, so long as the political leaders (ministers or, for the Parliamentary Service, the Presiding Officers) took responsibility for the activities curtailed and did not hide behind spurious claims of "efficiency"'.⁹²

88 JCPAA inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies, Joint Standing Committee on the Parliamentary Library, *Submission 35*, p. 5.

89 JCPAA, Report 413: The Efficiency Dividend: Size does matter, 4 December 2008, pp xx, 29.

90 Commonwealth Government, *Government Response to Report 413 'The efficiency dividend and small agencies: Size does matter'*, p. 2.

91 Mr Andrew Podger, *Submission 11*, p. 2.

92 Mr Andrew Podger, *Submission 11*, p. 2.

8.71 Mr Podger concluded:

I would be surprised if the current arrangements have not caused some diminution of service levels and quality provided by the Parliamentary Service.⁹³

Funding of DPS

8.72 The matter of funding models for DPS was raised by the President in a letter to the committee at the commencement of the inquiry. The President indicated that both he and the Speaker were of the view that 'it is now time to consider other funding models for DPS, possibly related to levels of Parliamentary activity in each financial year'.⁹⁴

8.73 DPS also expressed its preference for a funding model which allowed for fluctuating parliamentary workload, as proposed to the JCPAA in 2008. In addition, DPS commented that the model should:

- recognise the growing demand for IT services;
- offer some choice to senators and members about the IT equipment they use; and
- allow for adequate long-term maintenance and preservation of the assets of the Parliament.⁹⁵

8.74 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.⁹⁶

8.75 The committee notes the comments of Dr Rosemary Laing, Clerk of the Senate, at the October 2012 Supplementary Estimates in relation to the setting of parliamentary budgets. Dr Laing pointed to the Latimer House principles, endorsed by all member nations of the Commonwealth, which 'comprise a set of guidelines about the relationship between the arms of government—parliament, executive and judiciary—and how that relationship is best cast in terms of practical working models'. Dr Laing went on to state:

Those principles include a best practice guideline that houses of parliament should have the autonomy to set their budgets using an all-party committee

93 Mr Andrew Podger, *Submission 11*, p. 2.

94 Senator the Hon. John Hogg, President of the Senate, letter to the committee dated 13 September 2011.

95 Department of Parliamentary Services, *Submission 3*, p. 19.

96 Department of Parliamentary Services, *Submission 3*, Attachment 1, p. 9.

to determine and administer a budget of the house without amendment by the executive. That is a Commonwealth-wide best practice model.⁹⁷

8.76 Dr Laing, in the Clerk's review for the department's 2011–12 Annual Report, also commented that 'experience in other jurisdictions where parliaments have a greater degree of autonomy in setting their budgets shows that the function is undertaken responsibly and having regard to prevailing financial and economic circumstances'.⁹⁸

Committee comment

8.77 The underlying premise of the amalgamation of the three parliamentary service departments in 2004 was that significant savings would be made. While some savings and efficiencies have been achieved, the committee considers that these are much less than initially anticipated. In addition, during the time that the amalgamation was taking place, the costs for additional security measures had to be funded from existing resources. Senators commented during the 2003–04 Budget Estimates hearings, and in the Senate, that the parliamentary departments were virtually singled out in being required to fund increased security measures from savings.⁹⁹

8.78 In the years since the amalgamation, DPS has continued to experience a decline in purchasing power and increasing costs for staff, resources and contracted services. DPS indicated that over the eight year period to 2011–12, its operating budget increased by less than 1 per cent, even though CPI increased by around 25 per cent. While this is a significant issue, it has been difficult to gain a comprehensive picture of the effect of changes to the DPS budget through estimates processes and a less than informative annual report. The committee considers improved information on the financial performance of DPS is required so that the Parliament can be fully informed of the changes in DPS's budget position. (The committee has made further comments about annual reporting in chapter 9.)

8.79 The committee is concerned that further decreases in the DPS budget will have a detrimental impact on the maintenance of the building and on the services that support the parliamentary process. However, having said that, the committee is mindful of poor management of resources in the past which have resulted in increased costs, both in the short and long-term. In addition, it appears that DPS may not have been as effective as it could have been in ensuring adequate funding for new projects, other than security projects, and for putting a case to Government that managing the heritage aspects of Parliament House may require additional funding.

8.80 The requirement to seek funding from Government for funding the Parliament, in the committee's view is a matter which requires further consideration. There is a need to ensure that the budget for DPS is such that services required by the

97 Dr Rosemary Laing, Clerk of the Senate, *Supplementary Estimates Hansard*, 15 October 2012, p. 4.

98 Department of the Senate, *Annual Report 2011–12*, p. 4.

99 Finance and Public Administration Legislation Committee, *Budget Estimates Hansard*, 26 May 2003, pp 28–29; *Senate Hansard*, 18 August 2003, pp 13782–92.

Parliament are sustainable in the long term and the committee considers that it is time for further deliberations on the appropriate model of funding for DPS.

Chapter 9

Other matters considered

Introduction

9.1 This chapter canvasses other matters considered by the committee including management of resource and service agreements, contract management, performance reporting and accountability of DPS to the Parliament.

Management of resource and service agreements

9.2 The inquiry terms of reference included consideration of resource agreements and/or memoranda of understanding for the provision of services within and by DPS. The committee received very little information on these matters. The following provides an overview of arrangements entered into by DPS.

9.3 DPS has three resource agreements in place:

- DPS and Australian Federal Police (AFP) security services agreement: this agreement has been in place for over 20 years for the AFP to provide external perimeter security for Parliament House. DPS pays the AFP around \$10 million per year for this service;
- DPS and the Department of the House of Representatives: under this agreement the Department of the House of Representatives provides, and is paid for provision of, payroll services to DPS; and
- Secretary, DPS, and the Parliamentary Librarian: this agreement specifies the annual level of funding for the Parliamentary Library.¹

9.4 The former arrangement between Department of Finance and Deregulation (Finance) and DPS IT helpdesk has now been superseded by the transfer of electorate office IT to DPS.

Service levels

9.5 DPS advised that it has seven main areas of services:

- library and research services;
- parliamentary records services (including Hansard and broadcasting services);
- information and communication technology (ICT) services;
- security services;
- building services and amenities (including building operations and maintenance, heating, cooling, catering, cleaning, landscape maintenance and events management);
- visitor services; and

1 Department of Parliamentary Services, *Submission 3*, p. 15.

- support services (including project/capital works management, as well as finance, HR and procurement).²

9.6 The DPS Services Catalogue outlines the services provided by DPS and how senators, members and staff access them.³

9.7 Commenting on service levels, Mr Andrew Podger, former Parliamentary Service Commissioner, stated:

Some articulation in agreements or memorandums of understanding of the service levels expected from a common provider can be helpful to clarify expectations and to promote proper monitoring and evaluation. But there are dangers in taking such formalities too far, in encouraging the sense that one department (or one part of DPS) is purchasing services from another and has concomitant power over the service provider. Agreements should promote collaboration including shared learning from performance reviews. The Parliamentary Service is too small to benefit from formal purchaser/provider contracts between or within departments.⁴

Contract management

9.8 Two of the largest on-going contracts managed by DPS are the catering and cleaning contracts. The following provides an overview of the contracts and their management by DPS as many aspects of the contracts relate to commercial-in-confidence matters.

Cleaning contracts

9.9 External cleaning of the building is undertaken by Canberra Queanbeyan Cleaning Services (CQCS). Limro Cleaning Services (Limro) undertakes the general cleaning of the inside of the building.

9.10 Limro was first awarded the contract for cleaning at Parliament House in 1988. The contract has been renewed on several occasions, the last being 2003. The current expiry date of the Limro contract is up to 2018. Its current value is \$3.774 million.⁵

9.11 The committee sought information about the Limro cleaning contract at its hearing on 30 October 2012. Ms Carol Mills, Secretary, DPS, stated that DPS has sought information in the past as to whether the contract could be altered or a new contract could be formed, and whether there were ways in which the contract might be effectively managed. Ms Mills stated that 'the advice that we have received, at least in

2 Department of Parliamentary Services, *Submission 3*, Attachment 1, p. 2.

3 Department of Parliamentary Services, *Services Catalogue*, December 2011.

4 Mr Andrew Podger, *Submission 11*, p. 3.

5 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 18.

recent years, has been that the contract that was put in place in 2003 has limited possibility for us to change until its expiry date', that is, 2018.⁶

9.12 In addition, DPS had commissioned Knight Frank in 2009 to audit cleaning services including the DPS management team and systems associated with the management and administration of the contract, a physical audit of Parliament House and a contractor audit. Knight Frank identified a number of areas which were 'challenges' for DPS in contract management.⁷ Knight Frank also provided recommendations to DPS, including that no further extensions be granted to Limro Cleaning Services 'beyond the current extension expiry date of 30 June 2011'.⁸

9.13 Following receipt of the review, DPS sought legal advice as to whether it could terminate the contract. However, in April 2010 the contract was extended to 30 June 2014.⁹

9.14 In relation to concerns about damage to the fabric of the building from inappropriate cleaning methods, DPS stated:

Some general surface damage through bathrooms has been identified related to the use of inappropriate cleaning products, scourers and processes. This is generally as a result of cleaners trying to clean large areas in short time frames. The use of environmentally friendly products is recommended at Parliament House; however, they generally do take more time to use. On occasion when the cleaners are meeting deadlines, it is evident that unapproved products are used. DPS has improved consultation, induction and supervision of the internal cleaning contract in an effort to reduce future damage.¹⁰

9.15 DPS also outlined other areas where there has been concern about damage to the fabric and/or contents of building and the action taken:

- External stone paving: high pressure hosing of the external stone paving has resulted in damage to the jointing. In July 2012, external stone cleaning procedures were revised to ensure best practice. In addition, the use of high pressure hosing reduced to its lowest pressure setting has been trialled and DPS indicated that this should reduce any ongoing damage;
- Internal stonework: some efflorescence and staining were evident on internal stonework, due to use of unclean water. Best practice cleaning procedures,

6 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 18.

7 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, pp 18–19.

8 Department of Parliamentary Services, *Answer to question on notice No. 5*, dated 12 November 2012.

9 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 19.

10 Department of Parliamentary Services, *Answer to question on notice No. 8*, dated 12 November 2012.

using distilled water, were introduced in June 2011 and there has been an improvement in these surfaces. DPS noted that distilled water is expensive and can be difficult to store in adequate quantities and, as a result, the cleaners have substituted tap water. DPS is currently trialling the production and use of reverse osmosis water;

- Ewater: Ewater is an electrolysed water cleaning product introduced into the new kitchens. Its use is primarily as a sanitising agent for foodstuffs as well as for cleaning kitchen preparation surfaces. The use of this products as a cleaning agent was extended beyond the kitchen spaces against the recommendations of specialist curators working in APH and the DPS furniture managers. This is because Ewater's acid and alkaline levels are too high to be used on building fabrics—long term use could cause damage. Permission for the widespread use of this product has been withdrawn;
- Chipped stone: the facades are chipped as a result of the impact on the stone by machinery used to clean or maintain external facades and this practice is being reviewed;
- Brass work: in the past, the cleaners were found to be responsible for damage to brass work. DPS Building Fabric Services section has been working with the cleaners over the last three years to better understand the patina of the brass work and, since this time, damage has ceased. The patina will redevelop over time; and
- Carpet shrinkage: there have been some incidents over the last few years where cleaners have over-wet carpets, resulting in shrinkage.¹¹

9.16 Ms Mills indicated that there had been more 'active management' of the contract in recent times including working with the contractor to rectify cleaning methods which have damaged the fabric of the building as noted above. DPS noted that it had issued 14 breach notices to Limro since August 2009.¹² Ms Mills concluded:

I believe that the department has improved its management of the contract. The reality remains that the contract is not as robust as one might like in terms of performance indicators. There certainly appear to be relatively few mechanisms for us to deal with it if we had a very serious issue, but we are certainly more focused on working with the cleaning company to provide consistently high service across the building.¹³

11 Department of Parliamentary Services, *Answer to question on notice No. 8*, dated 12 November 2012.

12 Department of Parliamentary Services, *Answer to question on notice No. 7*, dated 12 November 2012.

13 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 22.

Catering contracts

9.17 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 Queen's Terrace Café which IHG had taken over from W Catering on a temporary basis. The IHG contract has an expiry date of 2017 but has the potential to run to 2022, that is 10 years.¹⁴ Ms Mills stated that IHG had approached DPS with a proposal to combine the contracts. A catering consultant had indicated to DPS that it was an effective proposal and contract negotiations were completed in December 2011.¹⁵

9.18 As part of the previous contract with IHG, there was a cost reimbursement that related to the 'difference between the revenues they generate at the counter compared with the total costs'. At the February 2011 Additional Estimates this was stated as being around \$700,000 to \$800,000 per annum.¹⁶ Following the 30 October hearing, DPS indicated that:

The catering contractor is not paid a subsidy. 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 CERHOS 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, requirement to give precedence to parliamentary activities, security and other requirements).

Payment of the management fee in full is contingent on the contractor meeting key performance indicators set out in the contract. Up to 50 per cent of the management fee can be withheld. In accordance with transition

14 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, pp 20, 24.

15 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 21.

16 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 44.

in plan set out in the contract, for the first year of the contract (2012), DPS will pay the management fee in full.¹⁷

9.19 The 2012 client survey indicated a lack of satisfaction with catering services, mainly in the Staff Dining Room, including variety of food and timeliness.¹⁸ DPS pointed to the difficulties of catering in APH – the cyclical nature and the logistics of bringing food into the building including vetting through the security arrangements.¹⁹ Ms Mills also added her view:

It is certainly clear that, over an extended period, catering contracts at this building have not always worked effectively. Inevitably, as you suggested, with the peak and trough, it is virtually essential to have some type of subsidy built in and some kind of incentive for contractors to come here—similar to other parliament houses. My understanding is that, in a very early period, it was an in-house contractor, and a decision was made fairly early on to go to an outsourced model. That in itself is not uncommon. Certainly across the houses of parliament in Australia there is a mixed set of arrangements. So it has always been complicated.²⁰

9.20 Ms Mills also noted that the same model had been utilised for a number of years with the outcome being a compromised response. Ms Mill went on to state that other ways of delivering catering services had not been explored and there is a need to review the model periodically.²¹

Committee comments

9.21 The committee did not explore in any great detail the cleaning or catering contracts. However, the committee considers that, even on the little information received, it would appear that DPS (and JHD in relation to the cleaning contracts) has shown poor contract development and management. In particular, the committee notes the long time periods before contracts have been re-negotiated or have been put out to competitive tender, the lack of flexibility in contracts and deficiencies in the management of contracts by DPS. The committee notes DPS's comments that indicate that management of the cleaning contract has improved. However, it is concerned that inappropriate cleaning practices have damaged the fabric of the building.

17 Department of Parliamentary Services, *Answer to question on notice No.10*, dated 12 November 2012.

18 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 22.

19 Mr Alan Thompson, Secretary, Department of Parliamentary Services *Additional Estimates Hansard*, 21 February 2011, p. 45.

20 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 20.

21 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 24.

Accountability of DPS to the Parliament

9.22 A matter considered by the committee was the accountability arrangement for DPS. The discussion below canvasses the governance arrangements for DPS including the role of the Presiding Officers and the bodies which assist and advise the Presiding Officers as well as performance reporting through annual reports. The committee's conclusions on accountability arrangements are provided in chapter 10 of the report.

Governance arrangements

9.23 The *Parliamentary Service Act 1999* provides for the establishment of the parliamentary departments. Section 57 provides for the responsibility for managing a department:

- (1) The Secretary of a Department, under the Presiding Officers, is responsible for managing the Department and must advise the Presiding Officers in matters relating to the Department.
- (2) The Secretary of a Department must assist the Presiding Officers to fulfil the Presiding Officers' accountability obligations to the Parliament and provide factual information, as required by the Parliament, in relation to the operation and administration of the Department.

9.24 The DPS annual report states that the Presiding Officers have joint powers in relation to DPS that are similar, but not identical, to those of a minister administering an executive department.²² In this role, the President of the Senate appears before the committee during estimates with DPS.

9.25 Former President, Senator the Hon. Paul Calvert, explained his understanding of the role of the Presiding Officers in relation to DPS and stated:

It is not the Presiding Officers' role to interfere with the DPS. We are presiding officers and we do not interfere with the chamber departments or the DPS. If you look at the [Parliamentary Service Act], it points out that the only hands-on role in the DPS that we provide is appointing the secretary.²³

9.26 The committee does not share this view. While the committee notes that the Secretary of DPS is the administrative head of the department, the Parliamentary Service Act provides the Presiding Officers with responsibility for DPS along the lines of a minister: DPS is responsible to the Parliament through the Presiding Officers.

9.27 In undertaking their role in relation to DPS, the Presiding Officers are assisted by the:

- Joint House Committee: a House committee is established under the standing orders of each House. The two committees may sit as a joint committee with the senior Presiding officer as the chair. The committee considers any matter

22 Department of Parliamentary Services, *Annual Report 2010–11*, p. 95.

23 Senator the Hon. Paul Calvert, President of the Senate, *Budget Estimates Hansard*, 23 May 2005, p. 19.

relating to the provision of facilities in Parliament House for example, security works, IT, parking and catering. Matters to be considered may be referred by the Senate, House of Representatives or the Presiding Officers. The committee met twice in 2010–11;

- Joint Standing Committee on the Parliamentary Library: a Library committee is established under the Parliamentary Service Act. The committee has joint chairs and considers any matters related to the provision of library services to parliamentarians;
- Art Advisory Committee: assists the Presiding Officers in determining the suitability of artworks for addition to the Parliament House Art Collection;
- Security Management Board: provides advice to the Presiding Officers on security policy and the management of security measures for Parliament House; and
- Heritage Advisory Board: provides advice to the Presiding Officers on the heritage management of Parliament House.

9.28 DPS also noted that DPS officers regularly meet with House of Representatives Committee on Appropriations and Administration.²⁴

9.29 In relation to ICT matters, the Presiding Officers' Information Technology Advisory Group (POITAG) has assisted the Presiding Officers. As a consequence of the implementation of the recommendations of the Roche Review of ICT for the Parliament, POITAG is to be abolished and replaced by the Parliamentary ICT Advisory Board. A further development as a result of the Roche Review will be the establishment of a joint appropriations and staffing committee with oversight of the delivery of parliament-wide ICT services by DPS.²⁵

9.30 Senators and members comprise, or are included in, the membership of all the above committees and boards except the Heritage Advisory Board and the Security Management Board.

9.31 There are also two other coordination bodies: the Senior Management Coordination Group (SMCG) and the Project Assessment Committee (PAC). The SMCG is established to coordinate corporate and related matters among the three parliamentary departments. DPS is represented by the Deputy Secretary. The Department of the House of Representatives is represented by the Serjeant-at-Arms, and the Usher of the Black Rod represents the Department of the Senate. The position of chair of the SMCG rotates annually among the three members. The PAC has the same membership as SMCG and is part of the formal approval process for projects and makes recommendations on the prioritisation and selection of projects based on a whole-of-parliament perspective.²⁶

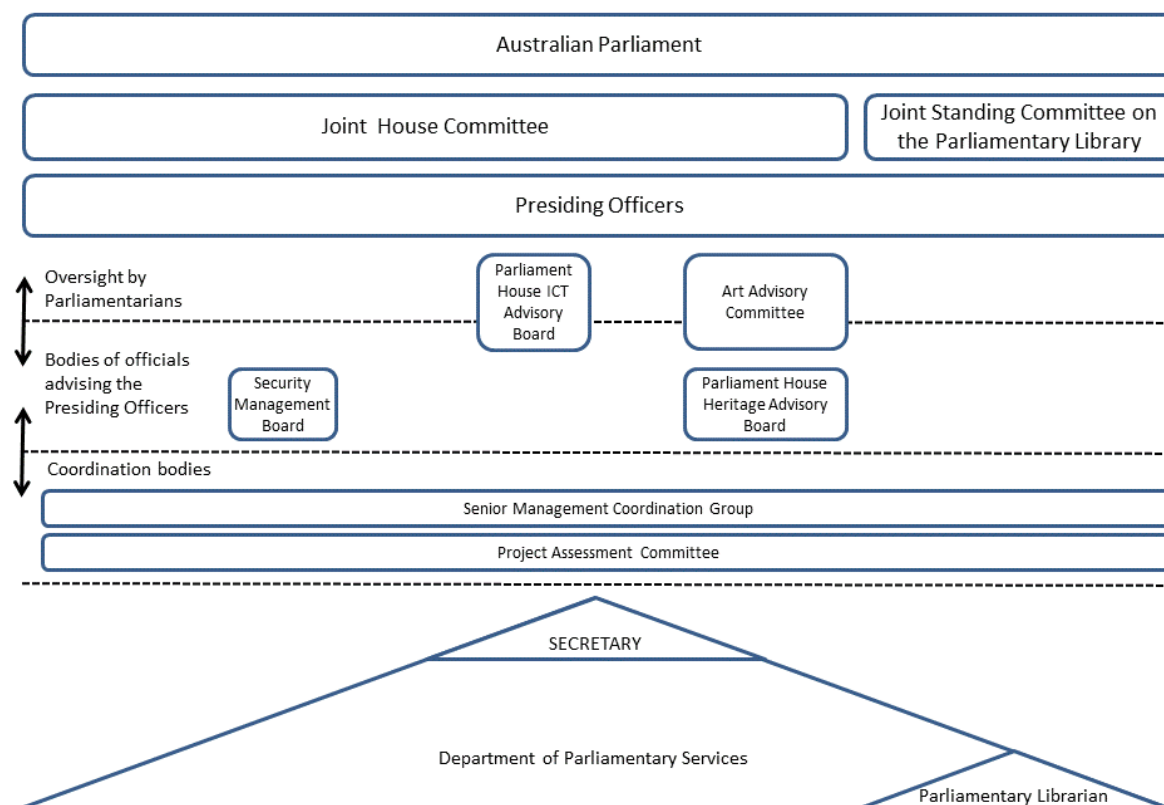
24 Department of Parliamentary Services, *Submission 3, Attachment A*, p. 9.

25 Senator the Hon. John Hogg, President of the Senate, *Supplementary Estimates Hansard*, 15 October 2012, p. 3.

26 Department of Parliamentary Services, *Submission 3, Attachment A*, p. 10.

9.32 The following figure provides an overview of the DPS governance arrangements and groups advising the Presiding Officers. The committee notes that the internal structure of DPS is currently under review and a number of new bodies will be established as a result of the Roche Review.

Figure 9.1: Existing DPS governance arrangements



Note: in addition to the arrangements indicated above, DPS appears at estimates hearings held by the Senate Finance and Public Administration Legislation Committee.

Governance arrangement in other legislatures

9.33 The committee has identified a range of governance arrangements in other parliaments and for iconic buildings.

- bodies directly engaged in governance:
 - The Scottish Parliamentary Corporate Body (SPCB) is an example of such an approach, being a statutory body, consisting of 5 members of the parliament elected as individuals to represent the interests of all members and not as party representatives. The SPCB provides staff, accommodation and services for the Parliament. It meets fortnightly and agendas and minutes are published on the Scottish Parliament website. The Presiding Officer chairs the SPCB.²⁷

²⁷ The Scottish Parliament, *Parliamentary bodies – relationships*, p. 2.

- Under the Parliament of Canada Act, the Board of Internal Economy governs the House Administration. It is responsible for all matters of financial and administrative policy that affect the House and its Members, premises, services and employees. It has the legal authority to make by-laws—which are tabled in the House—to regulate the use of resources available to the House of Commons.²⁸
- The House of Commons Commission is responsible for the administration and services of the House of Commons, including the maintenance of the Palace of Westminster and the rest of the Parliamentary Estate. The Commission provides the non-executive governance of the House by Members, but it does not manage day to day operations. It has delegated this power to the senior officials who make up the House of Commons Management Board. The Board is responsible for the management of the services provided for the House of Commons by the Departments of the House; and advising the Corporate Officer of the House of Commons on the nature and level of services that should be provided by joint departments of the two Houses.
- independent skills-based entities to assist with the maintenance of iconic buildings:
 - the Old Parliament House Advisory Council;
 - the Official Establishments Trust advising on Government House and The Lodge in Canberra, and Admiralty House and Kirribilli House in Sydney; and
 - the Sydney Opera House Trust.

Annual reporting and the examination of performance

9.34 The provision of annual reports is a significant mechanism for informing the Parliament about the operation of departments and agencies and assisting with the examination of the performance of those entities. The scrutiny of annual reports is formalised in the Senate Standing Orders which provide that legislation committees inquire into, and report upon, annual reports and the performance of departments and agencies allocated to them.²⁹

9.35 The matters to be included in the annual reports of departments are set out in the *Requirements for Annual Reports for departments, executive agencies and FMA Act bodies* (the Requirements) issued annually by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit. The Requirements list the specific information required in annual reports. However, the Requirements also emphasise that annual reports are an accountability

28 Canadian Parliament, *The House of Commons Administration*, http://www.parl.gc.ca/About/House/StrategicOutlook/41/so41_04-e.html (accessed 31 October 2012).

29 Senate Standing Orders 25(2)(a) and 25(20).

mechanism and should 'provide sufficient information and analysis for the Parliament to make a fully informed judgement on departmental performance'.³⁰

9.36 The following discussion provides the committee's views on the adequacy of DPS annual reports as reports on performance and as an accountability mechanism.

Assessment of performance reporting

9.37 The committee has reviewed all of DPS's annual reports from the establishment of the department in February 2004 to the most recent report for the financial year 2011–12. The committee notes that the annual report for 2011–12 was not available for examination at the October 2012 Supplementary Budget estimates but was tabled in the Senate by the due date on 30 October 2012. Ms Mills, the Secretary of DPS, apologised for the delay in tabling the report and explained the reasons for that delay:

I feel as part of the changes that I am trying to make to the organisation that the annual report as drafted did not meet some of the expectations that I think are important for us in providing you with as much information and clarity as possible about the organisation's delivery of services.³¹

9.38 The committee welcomes Ms Mills' comments about the need to ensure that the 2011–12 annual report provides sufficient information to analyse the department's performance. The committee's review of the DPS annual reports from previous years indicates that improvement in performance reporting is required as a matter of priority. Indeed, since DPS was established, the quantity and quality of information provided in annual reports has declined to such an extent that the 2010–11 Annual Report is notable only by its level of opacity and the extent of use of abstract data which is of no assistance in judging performance. The committee also notes the comments of one submitter who stated that there has been 'a long term practice of disguising the truth in the DPS Annual Report'.³²

9.39 The following highlights some of the deficiencies identified in DPS annual reports.

9.40 The inclusion of a secretary's review is a requirement for annual reports. The review is used to provide a summary of significant issues and developments for the year. The first report for the full financial year provided by DPS was that for 2004–05. The secretary's review included a discussion of amalgamation issues, problems faced in the completing of the construction program for security enhancement works and the outlook for the department in 2005–06. In contrast, the secretary's review of 2010–11 provides few insights into difficulties encountered during the reporting period. For example, there are no comments regarding problems being experienced with the

30 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for departments, executive agencies and FMA Act bodies*, 28 July 2012, p. 4.

31 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 24.

32 *Confidential submission*.

completion of the upgrade of the Parliament House website which was experiencing significant delays and increases in costs at that time.

9.41 Little information is provided about other major capital works being undertaken by DPS in Parliament House. During 2010–11, DPS undertook a range of security enhancement work including a security wall in the public car park. Additional funding of \$18.3 million was received to undertake this work. The 2010–11 Annual Report commented that 'upgrades to security infrastructure were also a major focus during 2010–11' and included a new operations room, improved security for the various garages, film on external windows and a security wall in the public car park.³³ However, there are few other detail provided about the expenditure of \$18.3 million of additional funds provided to DPS for security enhancements.

9.42 Another major project completed in 2010–11 was the DPS Staff Accommodation project. Staff moved into the new accommodation in April and May 2011. The cost of the project was \$5.11 million. Significant issues occurred during the project as the building architect, Mr Romaldo Giurgola, raised objections to the planned work and DPS failed to recognise that it should have consulted Mr Giurgola in relation to moral rights requirements. As a consequence, the project was delayed. The 2010–11 departmental overview lists the management of the project as an achievement to consolidate DPS staff accommodation³⁴ and that two projects undertaken during the year 'were delayed to meet planning and consultation requirements'.³⁵ No other discussion is provided in relation the accommodation project nor is there any indication of the cost of the project.

9.43 In DPS's discussion on administered funds, one of the quality indicators is the price indicator 'Extent to which building projects are completed on budget' with the measure described as 'Projects are completed within approved total budget (target: 100%)'. For the three financial years 2008–09 to 2010–11, the annual report indicated that the target of 100 per cent of projects completed within the approved total budget was met.³⁶ The committee considers such information to be of little use; it would be expected that the budgets of all projects would be approved by the DPS Strategy and Finance Committee (SFC). What is not indicated in the annual report is whether the initial estimate of the cost of a project was met, or not, or whether additional funds were allocated by the SFC. While it might be the case that all projects undertaken by DPS were completed within the initial budget, the committee considers that this is unlikely.

9.44 The lack of specific financial information in regard to major projects is an obvious deficiency and is thrown into stark contrast by the information provided about consultancies undertaken. A list of all consultancies valued at more \$10,000 was a mandatory requirement for departmental annual reports until 2012–13. DPS provided

33 Department of Parliamentary Services, *Annual Report 2010–11*, p. 2.

34 Department of Parliamentary Services, *Annual Report 2010–11*, p. 21.

35 Department of Parliamentary Services, *Annual Report 2010–11*, p. 76.

36 Department of Parliamentary Services, *Annual Report 2010–11*, p. 78.

a list of 77 consultancies (total expenditure of \$2.7 million) in its 2010–11 report but did not provide detailed information on project expenditure of \$23.4 million for security enhancements and the Staff Accommodation project.³⁷

9.45 A further deficiency in relation to financial information is the omission of discussion and analysis of the department's financial performance. This is a mandatory annual reporting requirement. For all annual reports from 2005–06 to 2010–11, the compliance index references the DPS Financial Statements for this item.³⁸ In some reports, for example, the 2008–09 Annual Report, limited commentary on the department's financial performance has been provided in the Secretary's review.³⁹ This is less than adequate and does not provide the Parliament with a clear and easily accessible analysis of the department's financial performance. For example, in 2010–11, DPS recorded an operating deficit of \$14.2 million, an increase from the operating deficit of \$25.5 million in 2009–10.⁴⁰ This is recorded in the department's financial statements. However, no explanation is given for the deficit or the change recorded. The committee points to the Department of Finance and Deregulation's reporting on financial performance as a suitable model for the reporting of financial performance.

9.46 DPS annual reports have over a number of reporting periods identified, but failed to adequately canvass, significant issues in relation to the fabric of the building. Comments, for example, are made that the ageing of the building is influencing the level of the Building Condition Index. Given that the building is nearly 25 years old, that is only to be expected. However, there is little frank discussion in annual reports about priority projects and any difficulties being experienced in addressing ageing of systems, for example funding and design integrity issues.

9.47 The committee is concerned that the annual reports do not provide adequate commentary on some of the measures reported and lack clarity about what is being measured. For example, the 2010–11 Annual Report states that Maintenance Services achieved 89 per cent of the planned maintenance for the year.⁴¹ There is no discussion about whether or not this level of maintenance is adequate for a 25 year-old building with many unique systems and custom made fittings.

9.48 DPS annual reports provide the indices used to measure the condition of the building. However, while the factors influencing the calculation of the indices are provided, there is little or no discussion about the significance of the factors identified. For example, a contributing factor to the decrease in the Building Condition Index in the Ministerial Wing in 2009–10 was that painting and carpet replacement was reduced in the general circulation area. No commentary is provided as to why a

37 Department of Parliamentary Services, *Annual Report 2010–11*, pp 173–78.

38 See for example, Department of Parliamentary Services, *Annual Report 2010–11*, p. 193.

39 Department of Parliamentary Services, *Annual Report 2008–09*, p. 12.

40 Department of Parliamentary Services, *Annual Report 2010–11*, p. 116.

41 Department of Parliamentary Services, *Annual Report 2010–11*, p. 57.

decision has been made to paint and re-carpet less frequently, the long-term effect, or whether or not the decrease is a temporary measure.⁴²

9.49 DPS annual reports include a range of performance measures for many services. While these are provided over a three year reporting period, often there is little explanation of trends and the data provided does not allow for an analysis of actual performance. For example, the quality indicators provided for security services include 'extent to which procedures are followed' and 'validation of security procedures'. While performance for these indicators have been either 100 per cent, or close to it, for the three financial years to 2010–11, there is no discussion about the adequacy of security measures being used in Parliament House.⁴³

9.50 Another area where it is difficult to identify trends is with complaints about cleaning and catering. Prior to 2010–11, complaints for cleaning, catering and other services were provided in subprogram 2.2.⁴⁴ The presentation of this data changed in 2010–11 with catering remaining under program 2 and cleaning and other services moving to program 3.⁴⁵ While there may be valid reasons for this change, the committee considers that disaggregated data should have been provided for previous years so that trends could be identified.

9.51 Other areas of concern identified in reviewing the annual reports are errors in calculations and lack of the provision of reasons for changes in data from that provided in previous annual reports. For example, as part of its review of program 4, parliamentary records services, the 2010–11 Annual Report provides a quantity indicator for broadcasting services. For the Chambers, it is stated that there were 1,138 hours of Chamber proceedings broadcast which, while fewer than 2009–10 levels, was a '44% increases in the activity levels of the previous election year (2007–08: 929 hours)'. Rather, this is a 22.5 per cent increase over 2007–08, not 44 per cent as the incorrect financial year was used in the calculation. Similarly, in relation to the recording of committee proceedings of 1,961 hours in 2010–11, it is stated that there was an 81 per cent increase over the previous election year (1,208 hours). This is an increase of 63 per cent when comparing election years.⁴⁶

9.52 In some tables the data presented for previous annual reports is different to that provided in the 2010–11 Annual Report. For example, in relation to security provided for non-parliamentary functions, there are major changes to the number of functions listed in the 2009–10 Annual Report as follows:

42 Department of Parliamentary Services, *Annual Report 2009–10*, p. 48.

43 Department of Parliamentary Services, *Annual Report 2010–11*, p. 44.

44 See for example, Department of Parliamentary Services, *Annual Report 2009–10*, p. 39.

45 Department of Parliamentary Services, *Annual Report 2010–11*, pp 47, 57.

46 Department of Parliamentary Services, *Annual Report 2010–11*, p. 65.

Table 9.1: Security provided for non-parliamentary functions

Measure	2009–10 Annual Report		2010–11 Annual Report	
	2008–09	2009–10	2008–09	2009–10
Number of non-parliamentary functions	419	766	495	1013

Source: DPS Annual Report 2009–10, p. 38; Annual Report 2010–11, p. 46.

9.53 No explanation is provided in the 2010–11 annual report as to the reasons why the numbers reported previously had changed.

9.54 The committee also notes that there should be a 'clear read' between the Portfolio Budget Statements (PBS) and the annual report in regard to performance information, for example, if there is a change in program structure, the details should be provided. The committee has found that the DPS annual report does not provide a 'clear read' with the PBS. For example, the KPI 'Parliament House Works Programs: Extent to which design integrity is preserved' is reported under Program 3 in the annual report but is under Program 5 in the PBS. The PBS contains, at sub-program 3.1, the deliverable 'Waste volume reduced as a percentage of total waste generated'. This is not reported on in the 2010–11 Annual Report.

9.55 There are also a number of less significant issues which should be addressed to improve the quality of the DPS annual report including the provision of a more comprehensive index.

Chapter 10

Conclusions and recommendations

Introduction

10.1 By its nature, the committee's inquiry, and the submissions received, focussed on the deficiencies and failures of the Department of Parliamentary Services. However, the committee would like to acknowledge the contribution made by the vast majority of DPS staff members in undertaking their roles within the department. These staff are exemplified by their professionalism, their dedication to the support of the Parliament and their commitment to preserving Parliament House and its contents for the next 175 years and beyond.

10.2 However, it is obvious that some decisions made since the establishment of DPS have not provided a sound, long-term strategic approach to the management of Parliament House. In addition, the committee considers that the department has lacked strong leadership and vision. Poor employment practices have been allowed to flourish and become entrenched and projects have been undertaken which have threatened the design integrity and heritage values of Parliament House.

10.3 This chapter draws together the evidence presented in the previous chapters and provides the committee's conclusions and recommendations on its inquiry into the performance of the Department of Parliamentary Services.

Accountability and transparency

10.4 As noted in chapter 9 of this report, the Presiding Officers have joint powers in administering DPS. The committee notes the primary and ultimate authority that the Presiding Officers have in the administration of the Parliament through the *Parliamentary Service Act 1999*.

10.5 A range of bodies advise and assist the Presiding Officers in most aspects of the work of DPS. However, to a large extent the Presiding Officers, and indeed the bodies assisting and advising the Presiding Officers, rely on the senior executive of DPS to have the capability, the expertise and the commitment to act in a way so that informed decisions can be made and the Parliament is kept fully apprised of matters affecting the services provided by DPS. The committee noted in its interim report that this has not always been the case: DPS provided the President with answers to questions on notice in relation to the heritage assessment of the billiard tables which contained misleading information.

10.6 The committee is firmly of the view that many of the problems identified during its inquiry have arisen because of lack of adequate oversight of the actions of DPS. The committee does not in any way wish to diminish the progress already made by the new Secretary in restructuring the department and strengthening internal processes. However, the committee considers that for too long the stewardship of Parliamentary assets, the maintenance of the design intent of the building, the provision of vital services to the Parliament and the strategic direction of DPS have been poorly monitored by the Parliament.

10.7 The committee acknowledges that work is underway in many areas to enhance transparency, increase accountability and improve the provision of information. In this regard, the committee points to both the implementation of the Roche Review recommendations which will address key issues with the provision of ICT services and the development of a conservation management plan. However, there are deficiencies in other areas, including performance reporting, transparency in reporting on the condition of the building and project management, which still need to be addressed. These areas are detailed below.

10.8 The committee considers that it is only because of the discovery of the inappropriate sale of the billiard tables from the Staff Recreation Room in 2010, and the subsequent committee inquiry, that real change is taking place in DPS. However, the committee remains concerned that, along with these changes, a new mechanism for the continuing oversight DPS must be implemented.

10.9 The committee believes that the Parliament needs to be better informed about the actions of DPS, the provision of services by DPS and the maintenance of the building and its contents. In addition, the Parliament needs to be confident that DPS has a clear understanding of its goals and responsibilities in relation to stewardship and service provision as well as DPS being adequately and appropriately staffed.

10.10 The committee notes that while senators and members are members of various advisory boards and committees, there is no one overarching parliamentary committee providing oversight or advocacy for DPS. The committee notes that the Senate Appropriations and Staffing Committee and the House Appropriations and Administration Committee consider administration and funding of the respective chamber departments. The committee considers that these two committees, acting as a joint committee in relation to DPS, could consider the administration and funding of DPS, including considering estimates of funding required and determining amounts for the inclusion in the annual and additional appropriation bills.

10.11 The House standing orders already provide for the House Appropriations and Administration Committee to confer with the Senate Appropriations and Staffing Committee. However, no similar provision is contained in the Senate standing orders for the Senate Appropriations and Staffing Committee and an amendment to the standing orders will be required for the committees to meet jointly. The committee recommends that the Presiding Officers implement this arrangement.

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.

Employment issues in DPS

10.13 The committee considers that the employment culture within DPS is less than exemplary for a parliamentary department. The committee has received evidence which pointed to wide spread bullying and/or harassment. This evidence has been

supported by the CPSU staff survey, the Comcare audit and the 2011 ORIMA staff survey. The results of those surveys are damning: the ORIMA survey reported that nearly a quarter of DPS staff indicated that they had suffered bullying and/or harassment and around one-third of staff reported that they had witnessed such behaviour. The CPSU survey indicated that a third of respondents had experienced bullying while the Comcare audit found only 31 per cent of staff were confident to speak up about bullying and less than half of the respondents felt that the incidence of bullying in the department was taken seriously by management.

10.14 Worryingly, only 20 per cent of staff who had experienced bullying and/or harassment indicated that they had reported it. The committee believes that this lack of reporting reflects perceptions by staff that reports of bullying were not dealt with in a satisfactory manner and that the fear that reporting inappropriate behaviour may lead to further victimisation or be detrimental to career progression.

10.15 The CPSU argued that DPS management was defensive in relation to concerns about bullying and harassment. The committee would go further and considers that the management of DPS was responsible for fostering a toxic work environment. The 2009 staff survey clearly showed high levels of bullying and harassment. However, it appears that DPS made little attempt to address this issue in an effective manner as a later staff survey in 2011 again produced very worrying results in relation to bullying and harassment.

10.16 The staff survey findings point to the lack of importance placed on this issue by DPS management. This was exemplified by comments at estimates hearings that some incidents of bullying were not evident until being reported in staff exit interviews. The committee finds this very difficult to understand given the results of the 2009 staff survey and the issue being raised regularly by the CPSU. It is obvious that DPS management made little, if any, effective attempts to address this very disturbing situation.

10.17 Such lack of leadership was underscored by the results of the 2011 staff survey with few staff expressing confidence in the DPS senior management team (the Secretary, the Deputy Secretary and the Parliamentary Librarian). What was of considerable concern was that only 36 per cent of staff felt that senior management exemplified personal drive and integrity and only just over half (55 per cent) felt that they acted in accordance with the Parliamentary Service Values and Code of Conduct. The committee has already stated in its interim report that the Parliament should be able to expect only the highest levels of conduct in the parliamentary service; the leadership that has been the norm in DPS for some time is far from what the Parliament expects.

10.18 The committee welcomes the statements of the new Secretary, Ms Carol Mills, in relation to staffing issues including bullying and harassment and looks forward to sustained leadership on this issue and improved processes to address unacceptable behaviour in DPS.

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.

10.23 Other employment matters examined by the committee also pointed to undesirable practices including nepotism, patronage and the influencing of selection processes. While DPS provided information which appears to counter claims in relation to some cases of nepotism brought to the committee's attention, it is disturbing that this perception has grown amongst DPS staff and is regularly stated as fact. This points to the lack of employee confidence in selection processes within DPS.

10.24 The committee considers that DPS should work to improve selection processes through ensuring that staff involved in recruitment undertake training, that processes are reviewed regularly and appropriate tools such as templates are available to selection panel members. The committee notes that the Merit Protection Commissioner may establish independent selection advisory committees to fill vacancies at the job classification levels of APS 2 to 6. The use of independent selection advisory committees:

...provide streamlined, cost-effective and timely merit-based selection processes. They can be used for selection processes of any size but are especially useful for large or sensitive processes where the maintenance of

good workplace relations may be placed at risk if the process is not seen to be independent and impartial.¹

10.25 The committee considers that DPS may wish to consider approaching the Merit Protection Commissioner to establish such panels as a way of re-establishing confidence in DPS recruitment practices.

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.

10.30 A further indicator of the employment culture in DPS is found in workforce trends. The committee notes increased use of non-ongoing employees, high turnover rates and low satisfaction with work-life balance in DPS. The change in the DPS workforce, in part, reflects the tighter fiscal environment and restructuring of various branches in order gain efficiencies. It appears that some of this restructuring has had an adverse impact on DPS employees with evidence of increased workloads and decreasing availability of resources. This has led to concerns about the health and welfare of staff and the incidence of stress-related illness and overuse injuries.

10.31 The committee considers that the responses received from DPS in relation to workforce trends and their effect on employees were less than adequate and reflect little attempt to provide a rigorous analysis of issues. The committee therefore considers that it would be of benefit if a further analysis of workforce trends is undertaken to identify any underlying causes so that action can be taken to mitigate their impact.

1 Australian Public Service Commission, <http://www.apsc.gov.au/merit/independent-selection-advisory-committees>

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.

10.34 The committee is mindful that the inquiry has cast many employment practices in DPS in a less than favourable light. Media coverage has also focussed on the deficiencies of the past. 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. The committee also considers that the Secretary has a role in promoting DPS as a positive working environment and the importance of serving the Parliament and supports any actions she may take in this regard.

Heritage management of Parliament House

10.35 In 2013, Parliament House will be 25 years old. As Mr Giurgola explained, the building is neither so very new that change will be resisted nor so old to be innately and widely valued for considered, careful preservation. Indeed, the committee is very concerned that inadequate attention has been paid in the recent past to design integrity and heritage management in Parliament House.

10.36 The building will inevitably be subject to change over its lifespan, nevertheless the committee considers that the preservation of the overarching design integrity, the intricate symbolism and the vision of the building as the symbol of Australian democracy must be held central in any plans to alter the building. While some changes to the building and in the precincts require approval of the Parliament and/or the National Capital Authority, work within the building does not require either of these approvals.² In effect, the responsibility for the vast majority of change to the building, and the maintenance of heritage values, has been left to DPS.

10.37 The committee considers that 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. The committee points to

2 The *Parliament Act 1974* provides that no work is to be erected on land within the Parliamentary Precincts unless the Presiding Officers table a proposal for the work in each House and the proposal is approved by resolution of each House. The *Australian Capital Territory (Planning and Management) Act 1988* provides that no works, including construction, alteration, extension or demolition of buildings or structures, can be undertaken in the Parliamentary Zone without the approval of the National Capital Authority.

projects, such as the Staff Accommodation project, which have undermined key elements of the design integrity of the building and the House of Representatives Chamber Enhancement project where the tensions between heritage management staff and project staff were pronounced.

10.38 It is apparent from the evidence viewed by the committee that, when design integrity issues have been raised by relevant staff in DPS, these issues have often been ignored or overridden by other concerns such as cost and project timing needs. Similarly, when design integrity issues have been raised by the building architect, Mr Romaldo Giurgola, it appears that DPS did little to adequately consider these concerns. In the case of the Staff Accommodation project, the timing of the notification of Mr Giurgola was so late that DPS had no choice but to proceed with the project as originally envisaged despite Mr Giurgola's grave concerns. The committee believes that this has contributed to degradation of heritage values in some areas of Parliament House and should not have occurred.

10.39 Generally, the committee has also found that DPS's 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*. In addition, the committee considers 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. The committee welcomes Ms Mill's commitment to changing the style of engagement with Mr Giurgola and looks forward to a significant improvement in the relationship between DPS and Mr Giurgola, and, indeed, all moral rights holders.

10.40 The committee considers that the Parliament should recognise Mr Giurgola's contribution to Parliament House not only for his initial design of the building but also his continuing role in the maintenance of Parliament House as the symbol of Australian democracy. In addition, recognition should be given to all those who were involved in the planning, design and construction of the building.

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.

10.42 The committee also notes a significant shift in the way in which DPS intends to approach its responsibility for the building: Ms Mills indicated that a heritage type approach would be taken to planning and the overarching design of the building.³ Ms Mills also indicated that under the new structure for DPS a position to oversee management of the building has been created. Ms Mills commented that, as one of the

3 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 6.

'most important and iconic working and public buildings in the country', Parliament House needs an appropriate level of strategic and operational focus.⁴

10.43 The committee welcomes this approach. It contrasts to that prevailing previously in DPS management where heritage and design integrity concerns were apparently often dismissed or downgraded and it appears that important decisions have been made by inexperienced and/or inadequately qualified staff.

10.44 As part of this move to a heritage approach, the committee notes that DPS is developing a conservation management plan (CMP) for Parliament House with the assistance of an expert advisory committee. This is a very significant development and the committee sees the CMP as a means to strengthen the maintenance of the heritage values of Parliament House. It will also address concerns raised in evidence about the lack of rigor in the Parliament House Heritage Management Framework and the lack of consultation with heritage experts in the formulation of the Framework.

10.45 One of the major areas of concern exposed by the inquiry is the lack of transparency in DPS's management of the building. There are various mechanisms currently in place which require DPS to consult and/or inform both the Presiding Officers and committees or advisory groups. For example, the Joint House Committee was briefed on the Staff Accommodation project. However, the committee is doubtful that the briefing would have included design integrity considerations such as alterations to the use of the space. Indeed, DPS did not even consider that moral rights consultations were required for this project.

10.46 The Parliament also relies on annual reports and Senate estimates processes to oversight the operations of DPS. Analysis of DPS annual reports points to a lack of transparency and lack of information about projects being undertaken. The annual reports have not contained a frank assessment of performance, or indeed adequate information to make any assessment of performance, and are therefore of little use in ensuring accountability. The committee welcomes Ms Mills's commitment to improving the quality of DPS annual reports and will closely monitor them in the future.

10.47 The performance of DPS officers during estimates has also been far from satisfactory. The committee found senior officers less than forthright with their answers. In many instances, the information provided was confused, inaccurate and, in relation to the billiard tables, misleading. The committee is unsure whether this was a planned response to undermine committee processes, to cover up mistakes or a reflection of poor leadership skills. Committee members have had to pursue some matters over a number of estimates rounds in order to try to gain an accurate picture of events. Even so, the committee suspects that the information provided is not true or accurate reflection of DPS processes and dealings and that more intensive investigations would be required to get to the bottom of some matters.

4 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 24.

10.48 The committee considers that it has not been possible in the past for the Parliament to rely on the information provided by DPS to accurately gauge the performance of the department in relation to range of matters, most particularly heritage management of Parliament House. The committee has no doubt that the structures being developed, and the changes implemented, by Ms Mills will improve this aspect of the work of DPS. However, the committee considers that there are other avenues to ensure greater transparency of matters related specifically to the building and its contents. In this regard, the committee believes that the Presiding Officers should table a biennial report devoted to the building and its preservation and use. Such a report should include a frank assessment of the condition of the building and its contents, costs of upkeep of the building, alterations undertaken or proposed, heritage concerns and any other related matter so as to fully inform the Parliament and the public about the building.

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.

10.50 The committee is concerned that the Parliament has not taken an adequate role in overseeing developments in the building. The committee considers that a biennial report specifically about the building will assist in addressing this matter. However, the committee is also concerned that the Parliament has not ensured that the governance arrangements for DPS are such that it can be confident that a clear vision for the preservation of the building will continue in the long term.

Maintenance and project management

10.51 The inquiry has examined in detail a number of project and maintenance practices undertaken by DPS in recent years. The committee has already addressed the adequacy of consultations with moral rights holders, particularly Mr Giurgola. However, other areas of concern have been identified:

- there was a pattern of disregard for design integrity and the input of heritage management staff;
- turnover of staff has resulted in inexperienced project staff supervising major alterations to the building;
- there is a lack of in-house technical expertise within DPS;
- the building is not compliant with the Building Code of Australia and there are significant concerns regarding fire safety;
- poor initial planning has required revision of work, for example changing Parliament Drive into a one-way road;
- inadequate attention to access requirements, for example disability access in basement public car park during security work; and

- DPS does not provide adequate information in order to access whether projects are completed within original budgets.

10.52 The committee notes Ms Mills's comments concerning the loss of technical expertise. However, it is apparent that the loss of specialist staff is a significant issue particularly in relation to fire safety and project management. It appears to the committee that poor project management has resulted in additional costs being incurred through revision of work that is not compliant with standards such as road safety and disability access. The committee also notes comments in the end of project report for the Staff Dining Room project that indicated that costs increased because work that was not compliant with design integrity had to be redone. The end of project report also pointed to potential dangers to workers because of lack of accurate documentation and non-compliance of previous construction work. The committee considers that DPS should undertake capability reviews in technical areas such as fire safety, engineering services, design integrity and project management in order to ascertain whether DPS has the correct skill set in staff to adequately maintain the building and provide DPS management with appropriate advice.

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.

10.54 The committee is also concerned that the loss of specialist staff has resulted in systems such as the fire safety system and building documentation not being updated. This is a significant concern and may pose a significant danger to building occupants and those who undertake construction work in the building.

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.

10.56 The committee considers that DPS has also not been transparent about costs of projects and maintenance of the building. In relation to the final costs of projects, the committee found that the information provided in the annual report was meaningless. All projects are reported as meeting the target of 100 per cent in relation to completing within 'approved' budget. This does not show whether the project met or was under, within, or over, the initial estimate. The committee notes that the new website project was initially estimated to cost \$1.15 million but the final cost was \$3.1 million and is now being upgraded again at a cost of 'some hundreds of thousands'. Were it not for questioning at estimates, the Parliament would not have been informed of this significant increase in costs.

10.57 The committee recognises that the building contains many unique and custom built elements. To replace these assets, or to ensure that new work meets the original standard, will no doubt add to costs but to do so may save expenditure in the future. DPS, in its submission, implied that additional costs to meet Parliament House standards was precluded by the *Financial Management and Accountability Act 1997*.

The committee does not agree with this view. Rather, careful consideration will need to be given to what can be achieved given the present budget constraints. If the DPS appropriation is inadequate to ensure the maintenance of the building and its contents, the committee does not believe it is for DPS to undertake action that may diminish the design integrity of the building. Rather, the Parliament must be fully informed of the consequences of any lack of adequate funding to maintain the building at the appropriate standard as well as the long-term effects on design integrity and heritage values.

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.

Asset management

10.59 The committee has detailed the disposal of items of heritage and cultural value in both its interim report and this report. While changes to DPS disposal practices are welcome, this has occurred only after the loss of some significant items including the billiard tables and Bertoia chairs. The committee also considers that there may have been many other items disposed of inappropriately in the past, because of the lack of rigorous practices in DPS, which have not been identified. Such practices display a cavalier attitude to the concept of stewardship of assets on behalf of the Parliament—these were not DPS assets, rather, they were Parliamentary assets and should have been treated as such.

10.60 A major outcome the committee's inquiry has been changes to DPS asset management policies and practices. These include changes to the policy for the disposal of public property which make clear the requirements for disposal of assets both on the Parliament House Art Collection database and those that are not but which may nevertheless have cultural or heritage significance. Ms Mills provided the committee with an example of a recent disposal which was undertaken using the new policy. This is a welcome development. However, the committee reasserts that DPS is the steward of items on behalf of the Parliament and the people of Australia; the disposal of administered and heritage items is the antithesis of preserving them for the future. In addition, the committee considers that any disposal policy will only be effective if all those undertaking disposal processes possess a sound understanding of what constitutes 'possible heritage or cultural value' and a continued awareness of the importance of items to the Parliament and the building.

10.61 The committee notes the development of the list of new assets of heritage or cultural value that has been established and a review and validation of this list will be undertaken by an independent consultant. This is a significant improvement. However, the committee considers that the process of adding new items to the list must continue into the future.

10.62 One area that the committee received little evidence was in relation to the Parliament House furniture collection. The committee notes that the Parliament House

Heritage Management Framework includes the furniture collection. The committee believes that furniture should be treated as other art and crafts works in Parliament House. The committee therefore considers that it would be beneficial if a full audit of the status A and B furniture be undertaken in relation to condition, conservation measures, use of and disposal of that furniture.

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.

Contract management

10.64 The information provided in relation to contract development and management in DPS is concerning. The committee acknowledges that some of these contracts were inherited from the Joint House Department and have therefore been in place for many years. However, more recent contracts seem to be equally problematic; for example, cost overruns on the new Parliament House website being blamed on the vendor's lack of understanding of the complexity of the system and security issues. The website is now undergoing a further upgrade at substantial cost only eight months after being launched. The committee considers that this points to more fundamental problems in the initial contract stages including poor consultation with stakeholders, and the possibility that the development of requirements and contract negotiations were undertaken by inexperienced or inadequately qualified staff. The committee anticipates that, in relation to general IT issues, the appointment of the Chief Information Officer will bring greater focus on, and a higher standard of delivery of, all IT services.

10.65 The evidence received in relation to both project construction and service contracts is also disturbing. In relation to the Staff Accommodation project, the End Project Report commented on the lack of liquidated damages clauses, that DPS could not enforce time restrictions and that the contract did not allow DPS to stop the contractor changing the construction crew as the project neared completion causing the project to suffer. The limited information provided regarding the cleaning and catering contract also points to poor contract implementation and management. The committee considers that DPS should look to revising the way in which it negotiates and manages contracts including the type of legal assistance received, the engagement of experienced contract negotiators, and the performance management regime included in contracts. DPS should also ensure that staff are adequately trained and have the appropriate skills in contract development and management, for example through training provided by the Department of Finance and Deregulation.

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.

10.67 The committee believes that it would be beneficial for DPS to approach the Auditor-General to seek assistance in reviewing contract development and management including contracts already in place pursuant to section 20 of the *Auditor-General Act 1997*. Section 20 of the Act provides:

- (1) The Auditor-General may enter into an arrangement with any person or body:
 - (a) to audit financial statements of the person or body; or
 - (b) to conduct a performance audit of the person or body; or
 - (c) to provide services to the person or body that are of a kind commonly performed by auditors.
- (2) An arrangement may provide for the payment of fees to the Auditor-General. The fees are to be received by the Auditor-General on behalf of the Commonwealth.
- (3) The Auditor-General must not perform functions under this section for a purpose that is outside the Commonwealth's legislative power.

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.

Security arrangements

10.70 The committee's review of security at Parliament House canvasses security projects, restructuring of the PSS and breaches of security. The committee acknowledges that Ms Mills quickly instituted a review after the breach in August this year. However, the committee considers that there still remain areas of concern with the security arrangements at Parliament House:

- reliance on expensive security 'enhancement' projects which appear to have been implemented with little consideration for design integrity issues;
- construction of security enhancements which do not comply with access requirements or traffic requirements;
- lack of systems to track visitors within Parliament House; and
- changes to PSS roster arrangements which appear to be based solely on cost saving rather than more effective security arrangements.

10.71 The committee also notes the increase in numbers of photographic security passes issued over the last 12 months and considers that a review of the criteria for the issue of passes is warranted.

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.

ICT issues

10.73 The committee notes that DPS is now responsible for IT for parliamentarians' electorate offices. This is a welcome development and the committee considers that many problems experienced in the past due to fragmentation of the provision of services will be addressed. The committee also believes that the implementation of the recommendations of the Roche review, including the creation of the position of Chief Information Officer in DPS, will significantly improve the provision of ICT services to the Parliament. However, one matter still outstanding is the Department of Finance and Deregulation's retention of responsibility for multifunction and mobile devices such as BlackBerries. The committee acknowledges that discussions have commenced with the Special Minister of State for the transfer of this responsibility. However, the committee considers that, as a matter of priority, arrangements should be completed for the transfer of all ICT equipment to DPS.

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.

Budget considerations

10.75 The committee is concerned that, in the current tight fiscal environment, DPS may find it difficult to ensure that adequate maintenance and asset replacement is undertaken. The committee is also concerned about the continued increase in workloads due to Chamber and committee activity and the effect on staff delivering services to Parliament. The committee notes that the Government has provided additional funding to DPS in recognition of increased activity of the House of Representatives and its committees.

10.76 While the committee is mindful of poor management of resources in the past, the continued imposition of the efficiency dividend on DPS is of concern. The committee notes that certain cultural institutions and courts and tribunals were exempt from the additional 2.5 per cent efficiency dividend imposed in 2012–13. The committee considers that DPS should also have been exempt.

Recommendation 23

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

10.78 In addition, the committee considers that DPS should actively pursue discussions with the Department of Finance and Deregulation concerning the funding requirements to ensure that DPS can maintain heritage values in all areas of Parliament House. Further, the committee considers that the Presiding Officers should keep the Parliament apprised of the outcomes of these discussions.

10.79 The committee also considers the need to seek funding from Government for the Parliament is a matter which requires review. There is a need to ensure that the budget for DPS is such that services required by the Parliament are sustainable in the long term. The committee considers that it is time for further deliberations on the appropriate model of funding for DPS.

10.80 Finally, the committee would again like to thank all those who made submissions or appeared before the committee during this inquiry. The committee would also like to acknowledge the assistance provided in the latter half of the inquiry by the new Secretary of DPS, Ms Carol Mills.

Senator Helen Polley
Chair

APPENDIX 1

Submissions and additional information received by the committee

Submissions

- 1 Mr Harold Guida
- 2 MS Australia
- 3 Department of Parliamentary Services
- 4 International Union of Architects (UIA)
- 5 National Trust of Australia
- 6 Joint Standing Committee on the Parliamentary Library
- 7 Mr Romaldo Giurgola
- 8 Mr Paul Cohen
- 9 Mr Peter Hicks
- 10 Mr Steve O'Neill
- 11 Mr Andrew Podger
- 12 Mr Michael Bolton
- 13 Ms M. Pamille Berg
- 14 Australian Institute of Architects
- 15 Australian Parliamentary Service Commissioner
- 16 Community and Public Sector Union (CPSU)
- 17 Australian Heritage Council
- 18 Mr Chris Bettle
- 19 Ms Anne Ferguson
- 20 Ms Rosemarie Willett
- 21 Mr Franco Colussi
- 22 Walter Burley Griffin Society Inc.
- 23 Mr John Smith
- 24 Name withheld

Additional information

- 1 Correspondence from the President of the Senate and the Speaker of the House of Representatives, received 14 September 2011
- 2 Department of Parliamentary Services, *Valuation of Billiard Tables Located in Parliament House, Final Report*, September 2011 and Minute, Items with possible heritage value, provided 20 September 2011
- 3 Department of Parliamentary Services, dated 11 October 2011
- 4 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, provided 15 December 2011
- 5 Community and Public Sector Union, *DPS staff survey 2011: results*, tabled 2 May 2012
- 6 DPS People Management Paper No. 1.1 – Procedures For Investigating and Determining Breaches of the Code of Conduct
- 7 Department of Parliamentary Services, Email correspondence re: Comcare audit, tabled 2 May 2012
- 8 Mr Russell Grove, Acting Secretary, Department of Parliamentary Service, *Letter to clarify evidence provided to the Committee at the hearing of 2 May 2012*, dated 16 May 2012
- 9 National Archives of Australia, correspondence dated 16 August 2012
- 10 Ms Carol Mills, Secretary, Department of Parliamentary Services, correspondence dated 6 September 2012

Answers to Questions on Notice

- 1 Department of Parliamentary Services, dated 19 January 2012
- 2 Department of Parliamentary Services, dated 15 May 2012, following hearing of 2 May 2012
- 3 Department of Parliamentary Services, dated 15 May 2012
- 4 Department of Parliamentary Services, dated 26 April 2012
- 5 Department of Parliamentary Services, dated 18 October 2012
- 6 Department of Parliamentary Services, dated 12 November 2012, following hearing of 30 October 2012

APPENDIX 2

Public hearings

Wednesday, 16 November 2011
Members' Dining Room 3
Old Parliament House, Canberra

Witnesses

Mr Romaldo Giurgola

Ms Pamille Berg

Mr Hal Guida

Wednesday, 2 May 2012
Committee Room 2S1
Parliament House, Canberra

Witnesses

National Trust of Australia (ACT)

Mr Eric Martin, President

Walter Burley Griffin Society

Professor James Weirick, President

Community and Public Sector Union

Mr Alistair Waters, Deputy National President

Mr Leo Vukosa, CPSU Delegate, Department of Parliamentary Services

Department of Parliamentary Services

Mr Russell Grove, Acting Secretary

Mr David Kenny, Deputy Secretary

Dr Dianne Heriot, Acting Parliamentary Librarian

Mr Tristan Hoffmeister, Assistant Director, Heritage and Strategy, Strategy and Communications Section

Ms Karen Sheppard, Assistant Secretary, Corporate Services Branch

Ms Judy Tahapehi, Director, Strategy and Communications Section

Tuesday, 30 October 2012
Committee Room 2S1
Parliament House, Canberra

Witnesses

Department of Parliamentary Services

Ms Carol Mills, Secretary

Dr Dianne Heriot, Acting Parliamentary Librarian

APPENDIX 3

The Senate

Finance and Public Administration
Legislation Committee

The performance of the Department of
Parliamentary Services

Interim report

June 2012

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Senate Finance and Public Administration Committee Secretariat:

Ms Christine McDonald (Secretary)

Ms Lyn Beverley (Secretary)

Dr Jon Bell (Principal Research Officer)

Ms Meg Banfield (Principal Research Officer)

Ms Leonie Lam (Research Officer)

Ms Diana Harris (Administrative Officer)

The Senate
Parliament House
Canberra ACT 2600

Phone: 02 6277 3439

Fax: 02 6277 5809

E-mail: fpa.sen@aph.gov.au

Internet: http://aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fpa_ctte/index.htm

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43rd Parliament

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Senator the Hon. Ursula Stephens	ALP, New South Wales

Participating members for this inquiry

Senator Stephen Parry	LP, Tasmania
Senator the Hon. Michael Ronaldson	LP, Victoria
Senator Nick Xenophon	IND, South Australia

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Preface

The Senate referred the inquiry into the performance of the Department of Parliamentary Services (DPS) to the committee in June 2011. The committee received both public and confidential submissions which raised significant issues particularly in relation to the employment culture of DPS, the issue of bullying and harassment within DPS, management of heritage values and, of course, the sale of the billiard tables from the Staff Recreation Room.

The committee, to date, has held two public hearings. At the first hearing in November 2011, the committee heard evidence from Mr Romaldo Giurgola, Mr Hal Guida and Ms Pamille Berg. The committee particularly wishes to thank Mr Giurgola, Founding Partner of Mitchell/Giurgola & Thorp and Design Principal for Parliament House, for making himself available to speak with the committee. The evidence provided by Mr Giurgola, Mr Guida and Ms Berg highlighted the design process for the building which encompassed not only the architecture but also the furnishings, art program and landscape design. The evidence also pointed to the architect's concerns for the survival of the design integrity of the building as it nears its 25 year anniversary. Mr Giurgola argued that there were no effective checks and balances to ensure that any changes to the building are undertaken to preserve its inherent architectural and design integrity.

At its hearing on 2 May 2012, the committee canvassed heritage issues with outside experts. The committee also sought evidence from DPS on the sale of the billiard tables, the culture within the Department and touched on heritage issues, including the completion of the Central Reference Document (CRD).

The committee considers that it has not completed its inquiry. The evidence received so far to its questions on bullying and harassment in DPS highlighted the need for further examination of these matters. In addition, the committee has yet to address appointment procedures in DPS. Other issues which still require examination to adequately address the terms of reference include projects undertaken by DPS which have raised heritage concerns, resource agreements for the provision of services within and by DPS and the delivery of information technology services and equipment. In relation to information technology services, the committee has received little evidence to date but notes that the Presiding Officers have initiated a review of information and communications technology for Parliament House and a Parliament-wide survey of DPS services, including information technology, is being conducted by ORIMA Research on behalf of DPS.

The committee will therefore seek an extension of time to finalise its examination of these matters. However, there are two significant issues which the committee discusses in this report: the sale of two billiard tables in 2010; and the overarching heritage strategy for the protection of the design integrity of Parliament House. In relation to heritage matters, the report canvasses issues raised but does not make any recommendations as the committee considers that further evidence is required on specific projects before it can make any recommendations on heritage management.

Nevertheless, the committee has made one recommendation for the completion of the CRD.

The CRD was first commissioned by the former Joint House Department in 1999 and the draft was completed in 2004. Some eight years later the draft is still to be finalised. The CRD will provide an enduring record of the architect's design intent for Parliament House to be used to govern the approach to proposed changes to the building. This is a significant document and its completion should be undertaken as a matter of urgency given the age of Mr Giurgola and other members of the design team.

Chapter 1

Introduction

Terms of reference

1.1 On 23 June 2011, the Senate referred the following matter, as an inquiry under standing order 25(2)(a), to the Finance and Public Administration Legislation Committee, for inquiry and report by 29 November 2011:

The performance of the Department of Parliamentary Services (DPS), with particular reference to:

- (a) matters raised at the Budget estimates hearing of the committee on 23 May 2011 and in answers to questions taken on notice;
- (b) policies and practices followed by DPS for the management of the heritage values of Parliament House and its contents;
- (c) asset management and disposal policies and practices;
- (d) resource agreements and/or memoranda of understanding for the provision of services within and by DPS;
- (e) an assessment of the efficiencies achieved following the amalgamation of the three former joint parliamentary service departments and any impact on the level and quality of service delivery;
- (f) the efficient use, management and delivery of information technology services and equipment; and
- (g) any related matter.¹

1.2 The reporting date was subsequently extended to 28 June 2012.²

Conduct of the inquiry

1.3 The inquiry was advertised in *The Australian* newspaper and on the committee's website. The committee invited submissions from interested individuals, organisations and relevant government departments.

1.4 The committee received 23 public 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 16 November 2011, and 2 May 2012. A list of the witnesses who gave evidence at the public hearings is available at Appendix 2.

1 *Journals of the Senate*, 23 June 2011, p. 1100.

2 *Journals of the Senate*, 8 November 2011, p. 1796.

1.5 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee's website at:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/index.htm

Background to the inquiry

1.6 During the February 2011 Additional Estimates hearings, the sale, in late 2010, of two billiard tables from Parliament House was canvassed.³ The committee was told that a heritage assessment of the tables had been conducted before the sale.⁴ The 'heritage assessment' was provided in an answer to a question on notice and consisted of a handwritten annotation by the Disposal Delegate on the *Register of all furniture installed in the New Parliament House*.⁵

1.7 The disposal of the tables was again pursued at the May 2011 Budget Estimates. During questioning, the then Secretary of DPS, Mr Alan Thompson, confirmed that the annotation was the heritage assessment.⁶ Further, it was confirmed that the annotation was added after the Additional Estimates hearing.⁷ It was also revealed that the Disposal Delegate had no qualifications for assessing heritage value of the tables.⁸

1.8 In its report to the Senate following the May 2011 Budget Estimates, the committee noted that it had requested that DPS provide the original version of the declaration of surplus or unserviceable items form and the asset register with the annotation. The committee indicated that it would consider the matter further following receipt of the documents requested.⁹

1.9 In speaking to the Estimates report, Senator the Hon. John Faulkner noted:

Precisely eight months to the day after the sale had occurred, and only after extensive questioning at the Senate Finance and Public Administration Legislation Committee—only after those processes did we find out that no

3 *Estimates Hansard*, 21 February 2011, pp 16–17; 41–43.

4 Ms Judy Konig, Department of Parliamentary Services, *Estimates Hansard*, 21 February 2011, p. 42.

5 Additional Estimates 2010–11, Department of Parliamentary Services, *Answers to questions on notice*, No.27.

6 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Estimates Hansard*, 23 May 2011, p. 34.

7 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 62.

8 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Estimates Hansard*, 23 May 2011, p. 65.

9 Senate Finance and Public Administration Legislation Committee, *Budget Estimates 2011–12*, June 2011, p. 4.

heritage assessment had been made prior to the sale, contrary to DPS policy; that the Senate's Finance and Public Administration Legislation Committee had been misled; that inaccurate evidence to the committee had not been corrected and that very serious questions remain unanswered about the status of documents provided to the committee.¹⁰

1.10 Senator Faulkner went on to comment that the Senate earlier that day had agreed to refer a range of matters to the committee for inquiry. He noted the reference had been supported by government, opposition and Greens senators.¹¹

Structure of report

1.11 The report is structured as follows:

- chapter 2 addresses the sale of the billiard tables;
- chapter 3 provides an overview of the heritage strategy for Parliament House;
- chapter 4 addresses concerns raised about the heritage management of Parliament House; and
- chapter 5 discusses progress on the completion of the Central Reference Document and the apparent loss of material from Mitchell/Giurgola & Thorp archived following completion of the building.

10 Senator the Hon John Faulkner, *Senate Hansard*, 23 June 2011, p. 3707.

11 Senator the Hon John Faulkner, *Senate Hansard*, 23 June 2011, p. 3708.

Chapter 2

Sale of Parliament House billiard tables

Introduction

2.1 As noted in chapter 1, during the Estimates hearings of February and May 2011, the committee identified significant concerns with the disposal, in 2010, of two billiard tables from Parliament House. This chapter explores in depth the events surrounding the disposal of the billiard tables; the evidence provided to the committee during the Estimates hearings; and flaws identified in Department of Parliamentary Services (DPS) disposal practices.

Disposal process

2.2 DPS advised that on 26 June 1989 there were six billiard tables in Parliament House: two in the House of Representatives alcove; two in the Senate Alcove; and two in the Staff Recreation Room. There was also one pool table of unknown origin.

2.3 The tables housed in the Senate and House of Representatives Alcoves had been brought up from Old Parliament House in 1988. The Senate Alcove tables were returned to Old Parliament House in February 2000.

2.4 In 2009, DPS commenced plans to convert the Staff Recreation Room area to office accommodation. The Joint House Committee considered the proposed relocation of the Staff Recreation Room and its equipment on 14 September 2009 and 21 June 2010. The discussion included where the billiard tables might be transferred to and consultation with staff prior to any final decision being made about the future of the billiard tables. At its June 2010 meeting, the Joint House Committee noted that DPS had agreed on the disposal of the two billiard tables and pool table, having established that there were no bookings for the pool or billiards tables over the period November 2009 to May 2010. There was no discussion at either meeting of the Joint House Committee of any potential heritage value of the billiard tables or the pool table.¹

2.5 The billiard tables in the Staff Recreation Room and the pool table were removed on 22 July 2010.² DPS sold the tables through a Canberra-based auction company AllBids. The first table was advertised for sale on 26 July 2010 with bids closing on 9 August 2010 and the second table was advertised on 12 August 2010 with bids closing on 26 August 2010.³

1 Department of Parliamentary Services, *Answers to questions on notice taken at hearing of 2 May 2012*, No 5, received 15 May 2012.

2 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Estimates Hansard*, 23 May 2011, p. 65.

3 PriceWaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011, p. 13.

2.6 DPS indicated that it used AllBids for the majority of assets sales as it 'provides a good and quick return on the auction items; and clear paperwork'.⁴ The listing on the AllBids website did not mention the Parliament House connection as AllBids does not disclose vendor details.⁵ However, DPS advised that 'a DPS staff member has stated he bought one of the billiard tables' while the other was also purchased by another DPS employee.⁶

2.7 DPS put a reserve of \$2,500 on the billiard tables and \$2,000 on the pool table.⁷ The pool table sold for \$2,000. One of the billiard tables sold for \$2,500 and although the other did not meet the reserve it was sold for \$2,488.⁸ Subsequent advice indicated that \$2,500 was paid to AllBids for the second table. However, due to an error in calculating the sale price plus buyer's premium, AllBids underpaid DPS by \$11.12 and has undertaken to reimburse DPS for that amount.⁹ DPS explained:

In the case of the apparent under-reserve sale of one of the billiard tables, an offer was made on the table for the full reserve, which was accepted by All Bids staff. When the person came in to pay, the sale price plus 12.5% buyer's premium was incorrectly calculated. All Bids has undertaken to reimburse DPS for \$11.12 underpayment.¹⁰

2.8 DPS also advised that:

The items sold were administered assets and, as such, the funds realised by the sale were returned to the Official Public Account.

The sale of all three tables was settled on 6 September 2010. Records available to DPS indicated that the billiard tables were purchased by the [Parliament House Construction Authority] for Parliament House and, prior to the 2010 sale, were owned by DPS. DPS has found no records about the acquisition of the pool table.¹¹

4 Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 30.

5 Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 31.

6 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4580; PriceWaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011, p. 6.

7 Ms Judy Konig, Chief Finance Officer, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, pp 42–43.

8 Ms Judy Konig, Chief Finance Officer, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 43.

9 Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 32.

10 Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 33.

11 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4580.

2.9 In an answer to a question on notice about the original cost of the billiard tables in 1989, DPS advised that '[of] the six billiard tables previously located in Parliament House: (a) four tables cost \$2,860 each; and (b) two tables cost \$5,800 each'.¹² At the Budget Estimates of May 2011, the committee was advised that the tables originally costing \$5,800 each had been sold.¹³

2.10 The 'original cost' figures are those listed in the 'Register of all furniture installed in the new Parliament House' (the Register) created in 1988 by the Parliament House Construction Authority (PHCA). It shows that six billiard tables were installed, with date of acquisition as 04/26/89, supplier (Heiron & Smith), value and location. The location is given as area 4C.2.006 (House of Representatives Alcove); two in area 4A.2.005 (Senate Alcove) and two in area 4C.G.110 (staff recreation room). The relevant page of the Register is reproduced at appendix 3.

2.11 The committee was told that the book value of the tables sold was \$1,500. A valuation of the tables was undertaken by the Australian Valuation Office (AVO) in 2009–10. In explaining the way in which the book value was arrived at, Mr David Kenny, Deputy Secretary, DPS, stated that it was decided within the Chief Finance Officer's Branch. Further:

The AVO from time to time provides us with valuation advice, and then we have a depreciation schedule that is pretty standard in terms of the way accountants work. But that work is done within the CFO branch, also known as the Finance branch and about to be known as the Corporate branch.¹⁴

2.12 DPS noted that the valuation met the financial reporting requirements and standards of the Department of Finance and Deregulation and the Australian National Audit Office. The Finance Minister's Orders for heritage and cultural assets include the following:

37.2 Only assets that are primarily used for purposes that relate to their cultural, environmental or historical significance are to be accounted for as heritage and cultural assets.¹⁵

2.13 DPS noted that the tables were primarily used for recreational purposes. The AVO valuation report in 2009–10 did not contain any reference to heritage considerations.¹⁶

12 Additional Estimates 2010–11, Department of Parliamentary Services, *Answers to questions on notice*, No. 25.

13 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 50.

14 Mr David Kenny, Deputy Secretary, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 67.

15 Department of Finance and Deregulation, *Finance Minister's Orders for Financial Report*.

16 Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 29 and No. 34; see also Mr David Kenny, Deputy Secretary, *Budget Estimates Hansard*, 23 May 2011, pp 52–53.

Heritage assessment of tables

2.14 Of particular concern to the committee was the possible disposal of Parliament House assets which may have a significant heritage value without appropriate evaluation of the asset.

2.15 In an answer to a question on notice following the 2 May 2012 committee hearing, DPS stated that at the time that the billiard tables were removed in July 2010, DPS projects staff noted the tables were cedar, 'nothing special' and had a date of either 1987 or 1989. At that time, Projects Branch staff examined the tables in the House of Representatives Alcove and noted that they were older and made from silky wood.¹⁷

2.16 The answer went on further to state:

On 26 August 2010, the evening that the final AllBids auction had closed, a DPS staff member had a telephone conversation with Mr Kenny about the auction, and wondered if the auction could be extended to allow for a potential bid. Mr Kenny advised this would not be possible.

On 10 September 2010, an email from a DPS staff member included a comment that the Staff Recreation Room billiard tables "did not have any heritage value to Parliament House but did have historic value to [Old Parliament House]". This was the first time that the potential heritage value, or otherwise, was drawn to Mr Kenny's attention.

In September 2010, two DPS staff members raised concerns about the potential heritage value of the Staff Recreation Room billiard tables with Projects and CFO Branch staff. Projects staff confirmed there were no issues. That is, the "special tables" remained in the House of Representatives Alcove.

In October 2010, the CFO Branch Estimates brief documented that the billiard tables were general assets and did not have heritage value attributed to them.¹⁸

2.17 At the Additional Estimates hearing of 21 February 2011, the committee received evidence from Ms Judy Konig, then Chief Financial Officer, DPS, concerning DPS disposal policies:

We have a policy that requires a heritage assessment of any items that the department is getting rid of or that have been declared surplus. In this case, these [two billiard tables] were assessed as having no heritage value.¹⁹

17 Department of Parliamentary Services, *Answers to questions on notice taken at hearing of 2 May 2012*, No. 4, received 15 May 2012.

18 Department of Parliamentary Services, *Answers to questions on notice taken at hearing of 2 May 2012*, No. 4, received 15 May 2012; the Estimates briefs were also received 15 May 2012.

19 Ms Judy Konig, Chief Finance Officer, Department of Parliamentary Services, *Additional Estimates, Committee Hansard*, 21 February 2011, p. 42.

2.18 Further, Ms Konig stated that DPS had to comply with the *Environment Protection and Biodiversity Conservation Act 1999* and 'the requirement to get the best outcome for the Commonwealth when we dispose of any goods'.²⁰

2.19 Ms Konig was very confident that a heritage assessment had been undertaken in relation to the two billiard tables sold by DPS.²¹

2.20 At the hearing, the committee sought a copy of the heritage assessment that was said to be undertaken. What was provided in answer to a question on notice to the committee on 6 June 2011 consisted of a handwritten, undated annotation alongside the entry for all the billiard tables on the 'Register of all furniture installed in the new Parliament House' (the Register).²² The annotation is signed by the Disposal Delegate.

2.21 The annotation reads:

Given tables purchased by PHCA around 1989 and are about 20 yrs old, thus no heritage value.²³

2.22 At the May 2011 Budget Estimates, the committee again questioned DPS about the date that the heritage assessment was undertaken. Mr Alan Thompson, Secretary, DPS, was initially unable to provide this information to the committee.²⁴ Following investigation of the matter during the committee's proceedings, Mr Kenny stated that the 'heritage assessment' had been undertaken 'earlier this year'. Later in the hearing, Mr Kenny provided further information:

The unsigned document that you are talking about earlier was signed. The recollection of the officer is that it was signed after 21 February, so it was after the estimates hearing in February. He says the reason it was not dated is that it was an oversight. He is not sure exactly when it was signed, but it was not long after the estimates hearings and probably around the time he received this email, which I can read out an excerpt from, which is to Judy Konig from the manager of heritage and ICT, which is an interesting combination, at the Museum of Australian Democracy. It said:

I can now confirm that the two billiard tables in our collection were manufactured circa 1930, were reconditioned by Heiron and Smith, to be relocated in the new Australian parliament building for 1998 and will return to OPH.

20 Ms Judy Konig, Chief Finance Officer, Department of Parliamentary Services, Additional Estimates, *Committee Hansard*, 21 February 2011, p. 42.

21 Ms Judy Konig, Chief Finance Officer, Department of Parliamentary Services, Additional Estimates, *Committee Hansard*, 21 February 2011, p. 43.

22 Additional Estimates 2010–11, Department of Parliamentary Services, *Answers to questions on notice*, No. 27, Attachment B.

23 Additional Estimates 2010–11, Department of Parliamentary Services, *Answers to questions on notice*, No. 27, Attachment B.

24 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, pp 34–35.

So our officers assessed that—confirmed their understanding that the old billiard tables with history had been returned to Old Parliament House, Museum of Australian Democracy, quite some time ago.²⁵

2.23 DPS has informed the committee that the email noted by Mr Kenny was the first contact with Old Parliament House regarding the billiard tables.²⁶

2.24 Mr Thompson added:

In this case our understanding of what had happened was that the disposal officer had received advice, like Mr Kenny has referred to, that the old tables had been returned to Old Parliament House. That information is true—they have been returned—but it is also clear that the relevant officer was not aware of it.²⁷

2.25 Mr Kenny concluded that the advice given to the committee at the Additional Estimates concerning the heritage assessment was incorrect. He went on to say that he had only just become aware that the advice was incorrect. Mr Kenny also added:

You raised the matter, and, as we said before lunch, there was some more investigation being done internally as to the history, noting that the history of all the billiard tables, in terms of the records available to us, was not clear—therefore it took a little bit longer to work through—but at about 20 past one I was advised that the heritage assessment had not been done at the time of the sale.²⁸

2.26 In addition, the committee sought evidence in relation to the Disposal Delegate's expertise in heritage matters. Mr Kenny was unable to say whether or not the Delegate had such expertise but noted that:

Our expectation is that officers like this officer will check to assess whether there is heritage. We are not driven by revenue or anything like that; we are simply trying to create the space and then achieve a reasonable return to the Australian taxpayer.²⁹

2.27 Mr Kenny went on to state:

I think we need to have a look at our disposal processes to ensure that those staff who do have the appropriate qualifications have an opportunity to be

25 Mr David Kenny, Deputy Secretary, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 62; see also Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 52.

26 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4580.

27 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 64.

28 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 63.

29 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 51.

involved, noting that we do dispose of a large volume of items from time to time.³⁰

Reviews and other investigations of the disposal of the billiard tables

2.28 On 4 July 2011, Mr Thompson wrote to the committee and outlined four actions taken as a result of the matters raised at the Estimates hearings: an internal audit investigation; asset disposal policy improvements; survey of heritage and cultural items; and a review of disposal practices.³¹ In addition, an internal Code of Conduct investigation was undertaken.

Internal audit

2.29 DPS advised that it would commission an internal audit of the disposal process for the billiard tables and indicated that it would be provided to the committee.³² Subsequently, two reports from PriceWaterhouseCoopers (PwC) were provided to the committee.³³

2.30 The first report on the disposal process provided a history of the billiard tables in Parliament House from the records held by DPS. This clearly identified that four tables had been transferred from Old Parliament House, after being refurbished by Heiron and Smith, and that two new tables had been purchased in 1988.³⁴

2.31 The audit found that the disposal of the billiard tables had been carried out in accordance with the Chief Executive Procedure (CEP) 4.3 – Disposal of Public Property. However, it identified a number of deficiencies. For example, the CEP required items, which may have some heritage value, be referred to the Art Services section to ascertain if the item was on the Art Services database. The focus of the database is the art collections and 'may not be a comprehensive list of items with cultural or heritage value within DPS'.³⁵ In addition, no documentation could be provided to support claims that discussions had taken place with the CFO about the potential for the tables to be identified as having Parliament House origin (section 20, CEP 4.3).³⁶

30 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 51.

31 Budget Estimates 2011–12, Additional information, Department of Parliamentary Services, *Letter relating to the evidence provided to the committee on billiard tables*, dated 4 July 2011.

32 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 68; see also Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 35.

33 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Budget Estimates Hansard*, 17 October 2011, p. 13.

34 PriceWaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011.

35 PriceWaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011, p. 8.

36 PriceWaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011, p. 5.

2.32 PwC's recommendations included that the policies and procedures used to carry out disposals be revised and strengthened particularly in relation to heritage/cultural/significant assets. The recommendations of the audit and DPS's response were provided in an answer to a question on notice arising from the Additional Estimates, February 2012. This is reproduced at appendix 4.

2.33 In its second report, PwC investigated the age and sought opinion on the value of the billiard tables from the makers of the tables and another billiard table making company as well as an independent valuer. In relation to the tables sold by DPS, the report stated that:

- the tables had a value between \$1,500 and \$3,000;
- the \$2,500 received for each table by auction was in line with the market estimates for this type of table;
- in the valuer's opinion, the tables had no real heritage weighting to them due to their homogeneous character, age and as they seemed to be of a standard stock; and
- the replacement cost of similar tables would be around \$10,000.³⁷

2.34 In relation to the two tables remaining in Parliament House, the report stated that:

- the tables were estimated to be more than 50 years old;
- they appear to be in the design style of Old Parliament House but further work would be required to determine whether they were conceptual original pieces or commissioned at a later date;
- the estimated fair value of the tables was in the vicinity of \$10,000 each, the estimate formed by applying a heritage weighting or celebrity ownership value; and
- the replacement costs for a similar table would be in excess of \$12,000.³⁸

Review of DPS disposal practices

2.35 In addition to the two PwC reports, the committee was advised that DPS had initiated a review of the DPS disposal policies and practices.³⁹ This review was

37 PriceWaterhouseCoopers, *Department of Parliamentary Services: Valuation of Billiard Tables Located in Parliament House*, Final Report, September 2011, p. 5.

38 PriceWaterhouse Coopers, *Department of Parliamentary Services: Valuation of Billiard Tables Located in Parliament House*, Final Report, September 2011, p. 5; see also Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Supplementary Budget Estimates Hansard*, 17 October 2011, p. 17.

39 Budget Estimates 2011–12, Additional information, Department of Parliamentary Services, *Letter relating to the evidence provided to the committee on billiard tables*, dated 4 July 2011.

undertaken by Mr Robert Tonkin at a cost of \$30,000.⁴⁰ This review was undertaken as:

...it became very clear there were some deficiencies in the overall framework that had been in place for a number of years, and so it was time to ask somebody to come in from outside and give us an overview of our disposal processes and whether our staff were trained adequately.⁴¹

2.36 The Tonkin Review noted that as result of the issues raised during the estimates hearings and internal audit report, there had been improvements in the overall departmental procedures for the management of disposals, particularly in relation to assets or items of established or possible heritage value or significance. However, the review found that 'the revised departmental disposal procedures continue to rely on the judgement of the individual members of staff proposing a disposal that a particular item may have heritage or cultural value'. The report proposed a series of changes and improvements to achieve a clear, accountable and effective asset disposal process.⁴² DPS agreed to all four recommendations made and as at February 2012 three were completed and the fourth (updating of the DPS Disposal Policy) was expected to be completed in June 2012.⁴³ The recommendations of the Tonkin Review and DPS's response are provided at appendix 4.

Survey of heritage and cultural items

2.37 The committee was advised in July 2011 that DPS was undertaking an internal survey of heritage and cultural items as part of its response to the Tonkin Review.⁴⁴ Mr Thompson noted that DPS and its predecessors had categorised heritage and cultural items in accordance with the definitions provided through Finance Orders, in particular paragraph 37.2 (see para 2.12 above). It was noted that using this definition, the audited value of these assets over which DPS has stewardship was some \$77.6 million in 2009–10. These assets comprise the Parliament House Art Collection, the Historic Memorials Collection and the Gifts Collection. Mr Thompson went on to comment:

40 Mr Alan Thompson, Department of Parliamentary Services, *Estimates Hansard*, 17 October 2011, pp 13, 18.

41 Mr Alan Thompson, Department of Parliamentary Services, *Estimates Hansard*, 17 October 2011, p. 17.

42 Mr R Tonkin, *Review of Department of Parliamentary Services Asset Disposal Policies and Practices*, 6 October 2011.

43 Additional Estimates 2011–12, Department of Parliamentary Services, *Answers to question on notice*, No. 60.

44 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Estimates Hansard*, 17 October 2011, p. 18; Budget Estimates 2011–12, Additional information, Department of Parliamentary Services, *Letter relating to the evidence provided to the committee on billiard tables*, dated 4 July 2011.

However, it is clear that some other items in and around Parliament House will have heritage, cultural or historic significance, even though they do not fall within the definition of heritage and cultural assets of paragraph 37.2.⁴⁵

2.38 The committee was provided with a copy of the preliminary survey of heritage assets in September 2011. The survey identified 170 'new' items or groups of items. A number of recommendations were also put forward including that a comprehensive definition for items associated with Parliament House that have cultural or heritage significance be created.⁴⁶

Code of conduct investigation

2.39 In addition to the reviews noted above, the committee was also advised that a code of conduct investigation was undertaken to determine whether there was a breach of the Parliamentary Service Code of Conduct by a DPS employee (Ms König, CFO) in relation to the sale of the billiard tables. Following advice from Dr Dianne Heriot, Acting Parliamentary Librarian, that the circumstances warranted an inquiry into a possible breach of the code by Ms König, Mr Thompson appointed an external investigator (Mr Peter Long, Centre for Public Management) to undertake an investigation.⁴⁷

2.40 The investigation report found that the former CFO, Ms König, had breached the code of conduct in relation to the *Parliamentary Service Act 1999*:

- subsection 13(1) – behaving honestly and with integrity in the course of Parliamentary Service employment;
- subsection 13(2) – acting with care and diligence;
- subsection 13(9) – not providing false and misleading information in response to a request for information that is made for official purposes; and
- subsection 13(11) – behaving in a way that upholds the Parliamentary Service Values and the integrity and good reputation of the Parliamentary Service.⁴⁸

2.41 The code of conduct investigation report recommended a reprimand and a fine by salary deduction.

2.42 The code of conduct investigation also considered whether or not the Disposal Delegate added the annotation on his own volition. Dr Heriot stated:

...there are some contested views about the circumstances of the annotation, but it would be fair to say that he [the Disposal Delegate] was asked to write his understanding of the heritage status.⁴⁹

45 Budget Estimates 2011–12, Additional information, Department of Parliamentary Services, *Letter relating to the evidence provided to the committee on billiard tables*, dated 4 July 2011.

46 Department of Parliamentary Services, *Identification of heritage assets for Parliament House (DPS)*, Additional information, dated 20 September 2011.

47 Dr Diane Heriot, Acting Parliamentary Librarian, *Committee Hansard*, 2 May 2012, p. 23.

48 Dr Diane Heriot, Acting Parliamentary Librarian, *Committee Hansard*, 2 May 2012, p. 26.

49 Dr Diane Heriot, Acting Parliamentary Librarian, *Committee Hansard*, 2 May 2012, p. 25.

2.43 Dr Heriot further stated that the Delegate had been asked to add the annotation by Ms Konig.⁵⁰ There was no consideration in the code of conduct investigation of whether any request to add the annotation had been made to Ms Konig by a more senior officer of DPS.

2.44 Upon reviewing the investigator's recommendations, Dr Heriot explained that she recommended not accepting the finding of four breaches and not imposing a fine, instead she recommended finding two breaches and imposing a lesser sanction, that is, a reprimand.⁵¹ The reprimand was given and a note recorded on the file.⁵² In coming to this recommendation, Dr Heriot noted that:

I think the issue was that while the information was incorrect there was an evidentiary issue around intention and knowingly providing false information. The evidence received by the investigator was not consistent in this regard and, as committees of privilege have often found when they consider the issue of false and misleading information, witness intention is a difficult evidentiary issue.⁵³

2.45 The lesser sanction was agreed and approved by Mr Thompson. Ms Konig has since retired from DPS.

Costs to date

2.46 At the February 2012 Additional Estimates, DPS tabled the final costs associated with the sale of the billiard tables and subsequent audits and reviews.⁵⁴ The total expenses of the actual sale were \$3,015.34 as set out in Table 2.1.

Table 2.1: Expenses associated with disposal of billiard tables

Commission paid to auctioneer*	\$1,292.94
Dismantling and removal from staff dining room#	\$1,665.00
Labour, storage, advertising and administration paid to auctioneer	\$3.00
Item reserve price fees paid to auctioneer	\$54.00
Bidder SMS notifications paid to auctioneer	\$0.40
Total Expenses (GST exclusive)	\$3, 015.34

* Commission charged at 18.5%

50 Dr Diane Heriot, Acting Parliamentary Librarian, *Committee Hansard*, 2 May 2012, p. 25.

51 Dr Diane Heriot, Acting Parliamentary Librarian, *Committee Hansard*, 2 May 2012, p. 26.

52 Mr David Kenny, Deputy Secretary, *Committee Hansard*, 2 May 2012, p. 27.

53 Dr Diane Heriot, Acting Parliamentary Librarian, *Committee Hansard*, 2 May 2012, p. 26.

54 Department of Parliamentary Services, *Billiard table disposal and subsequent investigations*, tabled, Additional Estimates, 13 February 2012.

2.47 The expenses incurred by DPS in relation to audits, reviews and the code of conduct investigation totalled \$94,168.14.

Table 2.2: Expenses associated with audits, reviews and code of conduct investigation

PriceWaterhouseCoopers audit, <i>Disposal of equipment from the former staff recreation room</i>	\$30,000.00
PriceWaterhouseCoopers audit, <i>Valuation of Billiard Tables located in Parliament House</i>	\$6,442.07
Mr Robert Tonkin, <i>Review of DPS Asset Management Policies and Practices</i>	\$30,000.00
Parliament House Cultural Heritage Items, Preliminary Survey*	\$5,300.00
The Centre for Public Management, <i>Code of Conduct Investigation</i>	\$22,467.07
Total expenses (GST exclusive)	\$94,168.14

* Estimated DPS staff cost

2.48 In summary, the total net cost of the disposal of the billiard tables to DPS was \$92,183.48 (revenue from the sale of tables was \$5,000 and total costs were \$97,183.48).

Committee comments and conclusion

2.49 The disposal of two tables from Parliament House by DPS in 2010 was the initial event which led to the referral of the performance of DPS to the committee. The disposal of an asset by a Commonwealth agency is an everyday occurrence; the control and disposals of assets must be in accordance with Department of Finance and Deregulation regulations and an agency's own procedures.

2.50 The disposal of the billiard tables by DPS has exposed major weaknesses in the way in which DPS conducts its stewardship of assets within Parliament House on behalf of both the Parliament and the people of Australia. It included the unprecedented and unacceptable actions of a parliamentary department providing a Senate committee with misleading information and creation of an annotation on a file to support that evidence after it was given.

Disposal of the billiard tables

2.51 At the February 2011 Estimates, the committee was clearly told that a heritage assessment had been conducted before the billiard tables had been sold. It is apparent from the evidence received since that hearing, that no such assessment had been undertaken.

2.52 At the committee's public hearing of 2 May 2012, Mr Kenny noted that there was no heritage assessment, rather 'the annotation on the computer printout'.⁵⁵ Mr Kenny also agreed that by the May 2011 Budget Estimates, it had become clear that the information provided at the February 2011 Additional Estimates was not correct.⁵⁶ While the committee notes these comments, it was not until *during* the May Budget Estimates hearing, when difficult questions were being asked, that the DPS Executive sought clarification from the Disposal Delegate. It is obvious that little work had been undertaken, between the estimates hearings of February 2011 and May 2011, to undertake a full investigation of the disposal.

2.53 This lack of interest in investigating the matters surrounding the disposal of the tables and their possible heritage value is also evident from the very beginning of the disposal process. The committee notes that the Joint House Committee was not informed of any potential heritage value of the billiards tables. Another opportunity was ignored when the disposal of the tables came to the notice of DPS staff. In answer to the question on notice provided on 15 May 2012, DPS advised that:

In September 2010, two DPS staff members raised concerns about the potential heritage value of the Staff Recreation Room billiard tables with Projects and CFO Branch staff. Projects staff confirmed there were no issues. That is, the "special tables" remained in the House of Representatives Alcove.

2.54 The answer provided to the committee states that it was Projects Branch staff who confirmed that there were 'no issues'. The answer does not indicate, nor in any other evidence received is it indicated, that DPS heritage officers were consulted or involved in the decision to sell the tables.

2.55 The committee also notes that DPS advised the committee at the May Budget Estimates 2011 that the tables costing \$5,800 were sold and that the tables had been purchased new for Parliament House. However, the PwC in its audit report stated that:

At the time of disposal, DPS had been unable to accurately determine whether the billiard tables were purchased new for Parliament House, or whether they were transferred from Old Parliament House. Additional documentation was located in July 2011 which provides evidence that the billiard tables sold at auction were those purchased new by the Parliament House Construction Authority in 1989 for the Staff Recreation Room.⁵⁷

2.56 As noted by PwC, until further documentation was located in July 2011, there was no certainty that the tables sold had been purchased in 1989. In addition, the committee notes the following comments from Mr Thompson:

55 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 20.

56 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 21.

57 PriceWaterhouse Coopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011, p. 4.

You are asking about why we sold off the dearer ones. I would make the point again that the two tables that are up in the House of Representatives side, at the top, are in very good condition. I looked around them carefully. I actually come from a family that used to rehabilitate billiard tables. So they are in good nick. The cost of moving those out and then moving the other ones up there would far outweigh any difference in revenue you might get. They are big and they are expensive to move and there would be no logic from the taxpayer's viewpoint in getting rid of those ones, and they are in very good condition.⁵⁸

2.57 The tables in the House of Representatives Alcove that Mr Thompson is referring to are tables which came from Old Parliament House. According to the PwC report, these tables at the very least were made to the style of Old Parliament House and in fact may be 'conceptual original pieces'. The committee is indeed thankful that these tables were viewed as being too expensive to move as their sale would have been a significant loss of assets originally from Old Parliament House.

2.58 In addition, the committee notes that an incorrect date was included in the Supplementary Estimates brief prepared for the Secretary, that is, that the 'public auction on 22 July 2010 realised \$6,990 for the three tables'.⁵⁹ The first table auction for the first table closed on 9 August and the second on 26 August 2010.

2.59 The examination of the disposal of the billiard tables exposes a series of events which at best can be called slipshod and at worst a complete lack of understanding of the duties of officers of the Parliament and custodians of the assets of the Parliament. It opens staff of DPS to questions about competence and motivation. The committee considers it is important to state that it has no doubt that the Disposal Delegate acted as directed; rather, it is the failure of the leadership of senior level officers who must bear the fallout of this unedifying episode.

2.60 Senior level officers of DPS discussed matters with the Joint House Committee but did not discuss heritage issues. Estimates briefs were prepared and finalised by senior officers. In this regard, the committee notes that the brief for the Supplementary Estimates of 2010 contained incorrect information about the dates of sale of the tables. The Budget Estimates 2011 brief stated that there were no written records concerning the tables, yet two months later the PwC review was able to find documentation confirming the history of the tables.

2.61 The committee is concerned that senior level officers failed to adequately check the answers to the questions on notice before they were submitted to the committee. DPS received only 24 questions on notice at the Additional Estimates 2011, the answers to which the committee presumes should have been checked by senior officers. It seems incomprehensible to the committee that anyone reviewing the answers from the Additional Estimates of February 2011 would have believed that the

58 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 53.

59 Department of Parliamentary Services, Additional information, *Supplementary Budget Estimates Brief, October 2010*, received 15 May 2012.

annotation of the Asset Register constituted an acceptable heritage assessment raising questions about how the approval occurred. The committee also notes that the draft answers were provided to the President of the Senate. In effect, DPS sought to have the President approve an answer which contained fabricated evidence.

Response to problems identified

2.62 The committee notes that since the reviews, DPS has moved to improve its disposal procedures. DPS has also instituted a review of the heritage assets of Parliament House. Prior to the disposal of the billiard tables, it appears that if an asset was not listed on the Art Services database there was no need to discuss possible cultural and heritage value assets with Art Services.⁶⁰ The committee considers that this was a significant flaw in DPS policies. The committee also notes that the same problem occurred in relation to the terracotta planter pots removed from Senators' and Members' suites. The four large pots for the Members' Hall were commissioned as part of the art program. The same ceramicist also made the terracotta planter pots. However, the planter pots were not included in art program and indeed, not even included on the DPS assets register.⁶¹

2.63 The committee is pleased that the recommendations of the Tonkin review are being implemented and notes that they should be fully in place before the end of this financial year.⁶²

2.64 While acknowledging the work done so far to change practices and implement new policies, the committee is of the view that it is only the pursuit of the billiard tables matter that has led to this outcome. Without the continued interest of the committee and this inquiry, the committee wonders if flawed disposal practices would have continued within DPS. It also raises questions about previous disposals and what Parliament House assets may have been lost forever.

2.65 In conclusion, the committee considers that the disposal of the billiard tables from Parliament House in 2010 has resulted in significant expense for DPS at a time of significant budget restraint and brought to light some very questionable practices in a department servicing the Parliament where only the highest levels of conduct should be maintained and only the best example set.

60 PriceWaterhouseCoopers, *Disposal of equipment from the former staff recreation room, Final Report*, July 2011, p. 4.

61 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, pp 4593–94; see also Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 7.

62 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 28; see also Mr Judy Tahapehi, Director, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 45.

Chapter 3

Heritage status of Parliament House

Introduction

3.1 The committee received evidence which raised the issue of the long-term protection of the design integrity and heritage values of Parliament House. In particular, submitters were concerned that the concepts which were included in the brief for the international competition were under threat as changes are made to the building to meet the demands of occupants, including the increasing number of people accommodated. This chapter covers the heritage status of Parliament House, including the intentions of the original architects in relation to the design integrity of the building and its assets and proposals to list Parliament House under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Design integrity and heritage values

3.2 The question of heritage management of Parliament House raises a wider issue of the preservation of its heritage and cultural value over time and the original Architect's intent for the building. In order to appreciate the original intentions for the building, the committee was fortunate to be able to speak with Mr Romaldo Giurgola, the Design Principal for Parliament House, and members of the original design team, Mr Hal Guida and Ms Pamille Berg. The design responsibility for Parliament House included 'not only the building's conception, siting and architecture, but also the interior design, furniture design, landscape, and our origination and coordination of the commissioned Art/Craft Program for Parliament House'.¹

3.3 Mr Giurgola commented that his task, during design and construction, was to focus on clarifying the principles that define the character and meaning of the building. These design principles included:

...first, the significance of the building as a democratic forum for the nation of Australia; second, making the process of government visible and accessible to the public; third, the building design as a symbolic sequence of spaces with reference to Australia's historical and cultural evolution over time; and, finally, the design of Parliament House as a workplace which was intended to enhance the health and wellbeing of all occupants, which I think is important because it becomes a model for everyone to look to.²

3.4 Mr Giurgola concluded 'it is the **integrated whole** which must be understood and preserved within the inevitable process of adjustment and change which will

1 Mr Romaldo Giurgola, *Submission 7*, p. 1.

2 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 1; see also Mr Romaldo Giurgola, *Submission 7*, pp 1–2.

continue to occur throughout the building's 200-year lifespan as required by the Parliament's original Brief'.³

3.5 Ms Pamille Berg also drew attention to the need to maintain the design intent and integrity of Parliament House over the long-term. She stressed that:

It is not simply a task of saying, 'As long as the flagpole doesn't disappear off the top of the building and the forecourt does not have cars parked in it, we're okay.' This is a building which was briefed and conceived not just to last 200 years but, so importantly, it was a building about which the brief said to the international design competition participants: 'This building must carry meaning. It must carry content. It must carry deep and enduring and multivalent symbolism.'⁴

3.6 Mr Giurgola highlighted that the building has now reached a critical time for its survival intact, including 'the essential and subtle design, symbolic, and functional relationships inherent within and among its architecture, interior design, landscape design, designated functions, furnishings, art program and precincts'.⁵ Mr Giurgola went on to note:

...it is neither very new, which is a time in any building's life when change is usually resisted, nor old enough to be innately and widely valued for considered, careful preservation.⁶

3.7 The design brief for the building anticipated that some areas of the building would remain unchanged, while other areas would be subject to change in the face of changing requirements and technology.⁷ The Department of Parliamentary Services (DPS) acknowledged the challenge to:

...preserve the design integrity of the building, and its other heritage values, while making progressive changes to respond to evolving needs of the Parliament.⁸

3.8 Mr Giurgola submitted to the committee that, after 25 years, appropriate mechanisms are not yet to be put in place and stated:

Neither the Parliament nor the nation has yet exercised the urgent responsibility of putting in place the essential strategic policy framework and professional management-of-change processes capable of preserving the complex value of this remarkable project for the nation.⁹

3 Mr Romaldo Giurgola, *Submission 7*, p. 2.

4 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 3.

5 Mr Romaldo Giurgola, *Submission 7*, p. 3.

6 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 1.

7 Mr Hal Guida, *Submission 1*, p. 1.

8 Department of Parliamentary Services, *Submission 3*, p. 7.

9 Mr Romaldo Giurgola, *Submission 1*, p. 3.

3.9 The following discussion outlines proposal to protect heritage values of Parliament House.

Parliament House Advisory Panel

3.10 In its annual report for 1989–90, the Parliament House Construction Authority (PHCA) noted that over time, changes to the building will be required to meet the emerging needs of the building's occupants. The PHCA commented that 'where change is ultimately deemed necessary, it should be carried out in a way which protects the overall design integrity'. The PHCA noted that it had been proposed that an advisory panel be established to monitor and advise on proposed changes to the building.¹⁰

3.11 In November 1989, the House of Representatives agreed to a motion moved by the then Minister for Administrative Services, the Hon Stewart West MP, to establish a Parliament House Advisory Panel. Panel members would be appointed from both Houses including the relevant responsible minister. The chair was to be eminent current or former member.

3.12 It was proposed that the panel would advise the Presiding Officers on proposals for significant works in Parliament House having regard to appropriate advice. Mr West stated that 'in this way, expert professional advice can be obtained on the potential effects of the works involved on the design of the building. The motion recognises that the effects of works on the architectural and aesthetic integrity of Parliament House will need to be considered.' The Presiding Officers were to table reports on proposals together with statements on intended actions.¹¹

3.13 In moving the motion, Mr West commented on the significance of the building and the responsibilities of the Parliament to protect the building while ensuring its dual role as a functioning Parliament and a premier national asset were met. Mr West stated:

We as members of this Parliament have a trust as significant as almost any other we hold as the embodiment of Australia's political democracy. That trust is to the people of Australia to ensure we preserve what we have built here on Capital Hill. Since the decision to embark on this ambitious project was first taken 11 years ago, both Houses of Parliament have worked hard to ensure the outcome that we and all Australians enjoy. Both Houses of Parliament have approved the designs and the development of those designs for the building and its distinctive landscaped precincts. They have not been the decisions of governments or bureaucrats or architects or anyone else—only the decisions of this and previous Parliaments.

It was the design approved by the Parliament which has been built; and it is that design we now hold in trust on behalf of the people of Australia. We must, of course, recognise that the building is two things: it is first a

10 Parliament House Construction Authority, *Annual Report 1989–90*, p. 13.

11 The Hon Stewart West, MP, Minister for Administrative Services, *House of Representatives Hansard*, 30 November 1989, p. 3335.

functioning Parliament and as such like any other operating entity it must grow and adapt to the changing requirements of the Parliament; secondly, it is a significant asset in our national heritage and as such its design must be protected to ensure its value as a national heritage asset is neither diminished nor destroyed.

It was the Government's belief that, together with Parliament, it had a responsibility to maintain and protect the high professional standards set and attained during the design and construction of this building. It was this belief which led to the Government seeking to provide for an expert panel to advise Parliament on proposed changes to the building. It has also been the Government's belief that no body of people or organisation other than the Houses of Parliament themselves should be able to decide on works that might have a significant impact on the design of the building and its precincts.

3.14 Mr West concluded:

As originally intended by the Government, the Houses of Parliament remain as the bodies ultimately responsible for and able to take decisions on works proposals with a potential to make a significant impact on the architectural and aesthetic integrity of Parliament House.¹²

3.15 While the motion was passed by the House of Representatives, it was eventually withdrawn in the Senate on 15 August 1991. In commenting on the proposal in June 1989, the then President, Senator the Hon. Kerry Sibraa, stated that he and the Speaker had 'serious reservations' about the proposal.¹³

Heritage listing of Parliament House

3.16 The heritage status of Parliament House was raised in the mid-1990s. DPS provided information on the range of proposals for heritage listing of Parliament House. In 1995, the Australian Heritage Commission (AHC) proposed the inclusion of Parliament House on the Register of the National Estate. This proposal was not supported by the Presiding Officers 'on the grounds that the Joint House Department [JHD] was establishing its own internal procedures for protecting the design integrity of the building'.¹⁴ These internal procedures included the development of an Interim Design Integrity Advisory Committee (IDIAC). Heritage processes under the JHD are discussed in chapter 4.

3.17 A further proposal by the chair of the AHC in October 2003 for the building to be included on the Register of the National Estate was again not supported by the Presiding Officers on the grounds that the Commission and its enabling legislation were about to be replaced.¹⁵

12 The Hon Stewart West, MP, Minister for Administrative Services, *House of Representatives Hansard*, 30 November 1989, p. 3335.

13 Senator the Hon Kerry Sibraa, President of the Senate, *Senate Hansard*, 16 June 1989, p. 4255.

14 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4594.

15 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4594

3.18 Following amendments to the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) in January 2004, National and Commonwealth Heritage lists were created. In June 2004, Parliament House and its surrounds were nominated for the National Heritage List by the Australian Institute of Architects. The Australian Institute of Architects provided the reasons for the nomination of Parliament House for heritage listing:

The Institute considers the Parliament House building and associated landscape to be of outstanding architectural merit and worthy of national and international recognition for its heritage values. The design excellence has been recognised by the Institute through a number of awards, particularly the National Sir Zelman Cowan Award in 1989 and the awarding of the Institute's Gold-Medal to Romaldo Giurgola in 1988. The Institute's citation and statement of significance for the place can be viewed on our website under Community/Heritage Buildings.¹⁶

3.19 A preliminary assessment for listing was undertaken by the AHC in 2005. It reported that Parliament House 'with its flagmast is Australia's national icon of democracy'. Parliament House was found to have outstanding heritage value in all criteria used in the assessment.¹⁷ The AHC formally agreed that Parliament House 'might have one or more National Heritage values and one or more Commonwealth Heritage values'.¹⁸

3.20 The AHC requested comment from the Presiding Officers who responded that they wished to obtain legal advice on the effects of including Parliament House on the heritage lists. Following advice from the Australian Government Solicitor (AGS), in March 2006, the Presiding Officers responded to the then Minister for Environment and Heritage that 'we are of the view that it is both undesirable and unnecessary for Parliament House to be listed at this stage'. The Presiding Officers also noted that:

...significant changes to the building already require both parliamentary approval and approval from the National Capital Authority. We believe that, over the last 18 years, these requirements have operated satisfactorily to strike the appropriate balance between the needs of a working Parliament in a changing society on one hand, and the protection of architectural and other values on the other, and we also believe that those requirements will continue to do so in the foreseeable future.

We do not feel it is appropriate for the nation's Parliament House, the management of which is by law vested in the Presiding Officers, not the Government, to be placed under a regime whereby the permission of a Minister in the executive government of the day will be required in relation to a variety of building management decisions. We believe that the

16 Australian Institute of Architects, *Submission 14*, p. 1.

17 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment Z, p. 4594.

18 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4594.

procedures already in place under the *Parliament Act 1974* and other legislation for managing significant works are appropriate.¹⁹

3.21 Responding to the Presiding Officers, the Minister commented that AHC's assessment 'provides compelling arguments for Parliament House and Surrounds inclusion on the National and Commonwealth Heritage lists'. The Minister noted that Parliament House was subject to the provisions of the EPBC Act and suggested that it may be possible to list the building and implement management arrangements without a significant additional burden.²⁰

3.22 In May 2006, the Presiding Officers confirmed their view that heritage listing 'at this stage would impose an inappropriate constraint on the management of Parliament House as the home of a functioning Parliament, and an inappropriate burden on our departments which they are not currently funded to bear'.²¹

3.23 In August 2006, DPS received further correspondence from the Department of the Environment and Heritage noting that legal advice indicated that Parliament House was already subject to the provisions of the EPBC Act in relation to actions on Commonwealth land, actions by a Commonwealth Agency and the requirement to prepare a heritage strategy. It was stated that given these requirements, 'National and Commonwealth Heritage listing would not impose any additional obligations, apart from the requirement to prepare a management plan'.²²

Application of the EPBC Act to Parliament House

3.24 As outlined above, correspondence from both the then Minister for the Environment and Heritage in April 2006 and the then Department of the Environment and Heritage in August 2006 stated that Parliament House is subject to the Commonwealth agency provisions of the EPBC Act.

3.25 As part of the heritage considerations detailed above, in January and March 2006, AGS provided advice to DPS that 'Parliament House would be subject to the Heritage provisions of the EPBC Act and that the Secretary of DPS is probably a "Commonwealth agency" (under the EPBC Act) and has control of Parliament House'. However, the then Secretary of DPS, Ms Hillary Penfold, was concerned that if the advice was accepted, the authority to make decisions would be transferred from Parliament to an arm of executive government. DPS noted that the Presiding Officers concurred with this view.²³

3.26 In response to the advice from AGS, DPS proceeded to formulate a heritage strategy for Parliament House as required under section 341ZA of the EPBC Act. The AHC noted:

19 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment AD, p. 4594.

20 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment AE, p. 4594.

21 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment AF, p. 4594.

22 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment AG, p. 4594.

23 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4595.

The heritage strategy is a commitment by an agency to identify and manage its heritage assets within its overall property planning and management framework. There is also a general obligation (s.341Z) for Commonwealth agencies to assist the Environment Minister and [Australian Heritage] Council in the identification, assessment and monitoring of a place's Commonwealth Heritage values.²⁴

3.27 In reviewing the draft heritage strategy in November 2008, the then Secretary, Mr Alan Thompson, raised concerns about 'the possible transfer of decision-making from the Parliament to the executive government'. DPS sought advice from Blake Dawson lawyers and noted that:

...more recent advice indicated that in accordance with the *Parliamentary Precincts Act 1988*, Parliament House is under the control and management of the Presiding Officers. The same advice notes that the Presiding Officers are not Commonwealth agencies.²⁵

3.28 The advice from Blake Dawson included the following:

- (i) Parliament House is under the control and management of the Presiding Officers (not DPS, not the Secretary DPS).
- (ii) The Presiding Officers are not 'Commonwealth agencies' and are therefore not subject to some of the EPBC Act obligations on Commonwealth agencies (including the obligation to prepare a Heritage Strategy).
- (iii) 'actions' may be undertaken without approval under the EPBC Act if those actions fall within the scope of *Parliament's right to administer its internal affairs*.
- (iv) Parliament has the right to 'administer its own affairs' and this takes precedence over the EPBC Act. The relevant existing Parliamentary legislation is the *Parliamentary Precincts Act 1988* and the *Parliament Act 1974*.²⁶

3.29 In response to this advice, DPS reported that the Presiding Officers:

...considered that the obligations under the EPBC Act for Parliament House were an issue for the management of heritage in the building and asked the three parliamentary service departments to develop a broad definition of parliamentary administration to clarify the authority of the Presiding Officers in relation to heritage management.

The Presiding Officers also reserve[d] the option of seeking amendments to the EPBC Act to exempt Parliament House from its most onerous heritage provisions.²⁷

24 Australian Heritage Council, *Submission 17*, p. 1.

25 Department of Parliamentary Services, *Submission 3*, p. 10.

26 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4595.

27 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4595.

3.30 DPS went on to state that it had consulted with the Chamber departments (the Senate and House of Representatives) 'about a definition of parliamentary administration and a draft Heritage Management Framework, accountable to the Presiding Officers'.²⁸

3.31 The definition of Parliamentary Administration is included in Attachment A of the *Parliament House Heritage Management Framework*. In part, it states:

Parliamentary Administration

The Presiding Officers note:

- (i) The authority for the Australian Parliament to administer its own affairs comes primarily from the *Australian Constitution* (particularly sections 49 and 50), the *Parliamentary Privileges Act 1987*, the *Parliament Act 1974* (section 5) and the *Parliamentary Precincts Act 1988* (section 6).
- (ii) In administering its own affairs (including the control and management of buildings within the parliamentary precincts), Parliament is assisted by the three parliamentary departments.
- (iii) Parliament is responsible for administering its internal affairs, including:
 - supporting both Houses and their committees;
 - supporting individual Parliamentarians and their staff;
 - record keeping;
 - inter-parliamentary relations;
 - maintaining the buildings, landscapes, and objects; and
 - securing the safety of building occupants, visitor and the buildings...
- (v) Parliament retains the right to take decisions about its internal affairs unless and until there has been legislation that expressly transfers authority or limits decision-taking.

The Presiding Officers expect:

...

2 That parliamentary administration and operation are not subject to government policy without the express and separate approval of each House of Parliament.

3 That the Parliamentary Service departments will plan and deliver services on the basis of "good corporate citizenship". This would include services such as...landscape and gardening; building fabric services; information and technology services (including communications); visitor support services; and human resources and financial support.²⁹

3.32 At the Budget Estimates hearing of May 2011, Mr Thompson confirmed that there was no heritage listing of Parliament House 'at this stage'. Mr Thompson went on to state that:

28 Department of Parliamentary Services, *Submission 3*, p. 30.

29 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 42.

...there has been some interest out of the environment department in the heritage status of this building. Our reading of the legislation is that it is a building responsible to the two presiding officers who are not caught up in the environment department's legislation. We are at the moment developing our own heritage plan for the building but we do not believe it is subject to the heritage processes.³⁰

3.33 This view was reaffirmed in correspondence from the Department of Sustainability, Environment, Water, Population and Communities in September 2011 which noted that 'Parliament House is under the control and management of the Presiding Officers who have the authority to administer the House's own affairs under a number of parliamentary Acts'. As a result, DPS as a Commonwealth agency is not obliged to prepare a Heritage Strategy or subject to other heritage provision of the EPBC Act.³¹

3.34 The committee notes, that although Parliament House itself is not heritage listed, the Parliament House vista is included in the Commonwealth Heritage List.³² Parliament House has been listed by the International Union of Architects on its International Register of Significant World Architecture.³³

Calls for the listing of Parliament House

3.35 While it is clear that Parliament House does not fall within the scope of the EPBC Act, submitters argued that it should do so. The International Union of Architects, for example, stated:

Parliament House is recognised for its outstanding heritage values, not only for the building itself, also for the wonderful, specially commissioned artworks and its spectacular setting. The Department of Parliamentary Services should promote this complex in its entirety as strongly as possible so that it is entered onto Australia's National Heritage List.³⁴

3.36 The benefits of the listing of Parliament House were outlined by Mr Paul Cohen in his submission as crystallising the heritage values into a set of written statements that allow Australians at large to appreciate the heritage value of their

30 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 35.

31 Department of Parliamentary Services, *Supplementary information, Parliament House heritage issues, DPS Disposal policies and practices and terracotta pots*, Attachment A, dated 11 October 2011.

32 The vista landscape covers most of the Parliamentary Triangle including the area known as the Parliamentary Zone. The significance incorporates Walter Burley Griffin's vision for the area, as the focus of Commonwealth parliamentary and governmental activity as well as national cultural life. Information available from: http://www.environment.gov.au/cgi-bin/ahdb/search.pl?mode=place_detail;search=state%3DACT%3Blist_code%3DCHL%3Blegal_status%3D35%3Bkeyword_PD%3D0%3Bkeyword_SS%3D0%3Bkeyword_PH%3D0;place_id=105466 (accessed 27 January 2012).

33 International Union of Architects, *Submission 4*, p. 1.

34 International Union of Architects, *Submission 4*, p. 1.

Parliament House; conservation is based on an established statutory system; independent review and overview to ensure that the conservation process is not subjugated by the normal operational demands on the agency responsible for the place; professional input that ensures that the heritage management plan is effective in the short, medium and long term; and provision of a transparent and open process allowing the Australian community to participate in the evaluation phase of registration.³⁵

3.37 The Walter Burley Griffin Society's submission was scathing of the approach adopted by DPS towards heritage management of Parliament House and its contents. The Society viewed as 'unacceptable' DPS's 'unilateral action', based on the Blake Dawson legal advice, to determine that Parliament House would not be subject to the heritage provisions of the EPBC Act.³⁶ Both the Walter Burley Griffin Society and the National Trust pointed out that listing would provide a statutory requirement to prepare a heritage management plan requiring public consultation and would provide statutory protection for Parliament House.³⁷

3.38 The Walter Burley Griffin Society raised concerns with the failure to list the building on two grounds. First, that it was not until evidence was given to the committee that it became clear that legal advice to DPS had indicated that Parliament was not subject to the EPBC Act. Professor James Weirick, President, Walter Burley Griffin Society, commented 'only when we saw that did we understand the impediment to moving forward what we thought was a very sensible and important nomination'.³⁸

3.39 Secondly, the Society voiced concern with the use of the 'separation of powers' argument to resist extension of the EPBC Act to Parliament House. The Society noted that 'separation of powers' had not affected the heritage listing of the Houses of Parliament, Westminster (listed under the Planning (Listed Buildings and Conservation Areas) Act 1990 as well as the UNESCO World Heritage List) or the United States Capitol (a National Landmark under Historic Sites Act 1935). The Society stated:

...in both instances, the statutory heritage listing of these legislative buildings is subject to executive oversight, an arrangement that brings the heritage management of these places in conformity with all other listed places in their respective nations, and has provoked no significant constitutional crises over the years.³⁹

35 Mr Paul Cohen, *Submission 8*, p. 3.

36 Walter Burley Griffin Society, *Submission 22*, p. 2.

37 Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 1; Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, pp 8,9; Walter Burley Griffin Society, *Submission 22*, p. 1.

38 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 8.

39 Walter Burley Griffin Society, *Submission 22*, p. 3.

3.40 The Walter Burley Griffin Society concluded:

The most simple and practical strategy would be to bring Parliament House under the provisions of the EPBC Act, and for Parliament House to be inscribed on the National Heritage List in accordance with the nomination submitted by the Australian Institute of Architects in 2004.⁴⁰

3.41 Mr Eric Martin, President, National Trust, suggested that the listing could be easily achieved and should be 'for the parliament to set best practice'. He went on to state:

...if each House of Parliament were to support this nomination and work within the controls that are under the EPBC Act, in my opinion that minor issue can be overcome. But I believe it is a problem between the Parliament and the department.⁴¹

3.42 Mr Russell Grove, Acting Secretary, DPS, responded to calls for the listing of Parliament House and stated:

...over a long period of time...[the] Presiding Officers have taken the view that Parliament House should not be listed and subject to executive government decision. That is sort of a fundamental principle...But, as you would appreciate from the evidence given this morning, these people feel very passionately about these issues, to the same extent that perhaps Presiding Officers have up until now felt very passionate about the fact that the building should not be on the Heritage List and therefore subject to executive government decision.⁴²

3.43 Ms Judy Tahapehi, Director, DPS, added that DPS has consulted the Department of Sustainability, Environment, Water, Population and Communities:

One of the things we have also been working towards with them is any alterations to the EPBC Act which will allow the parliament to be listed but still remain within the administration of the Presiding Officers. We are also working towards that. That will enable us to do listing in the future but still enable the Presiding Officers to maintain administration.⁴³

Committee comments

3.44 The committee acknowledges the concerns of the Presiding Officers regarding the listing of Parliament House and possible executive government interference in parliamentary decision making processes. The committee notes the evidence from DPS that there are consultations underway to seek a way to list Parliament House but still allow for the Presiding Officers' role in its administration.

40 Walter Burley Griffin Society, *Submission 22*, p. 3.

41 Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 3.

42 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 43.

43 Ms Judy Tahapehi, Director, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 47.

Chapter 4

Heritage management in Parliament House

Introduction

4.1 In chapter 3 of this report, the committee provided an outline of general heritage issues in Parliament House and proposals to list the building under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). This chapter addresses the management of heritage matters by the former Joint House Department (JHD) and the Department of Parliamentary Services (DPS). It also canvasses other suggestions made in evidence to increase the heritage protections afforded to Parliament House.

Joint House Department

4.2 When listing of Parliament House on the Register of the National Estate was proposed in 1995, it was not supported by the Presiding Officers as the JHD was establishing its own internal procedures for protecting the design integrity of the building.¹ As noted, the JHD developed the Interim Design Integrity Advisory Committee (IDIAC) which comprised representatives from the Chamber Departments, the JHD and Mitchell/Giurgola & Thorp (MGT).

4.3 The IDIAC was to:

- recommend an ongoing mechanism for the protection of the integrity of the original design of Parliament House;
- bind design integrity protection measures into Capital and Engineering Works procedures;
- review the annual Capital Works program before submission to the Presiding Officers;
- oversee the implementation of a five part strategy for the protection of design integrity;
- meet quarterly; and
- meet on an ad hoc basis at the direction of the Chairman (secretary of JHD) to consider specific matters.

4.4 The five part strategy included the nomination of a resource/reference person and panel of persons to provide informed advice and adjudication on design matters and development of a Central Reference Document (CRD) to provide a methodology for the screening of proposals for change.

4.5 The committee received a submission from the former Secretary of the JHD, Mr Mike Bolton, which set out the sequence of events that followed to 'preserve the heritage and design integrity of this building of national significance'. These included:

1 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4594.

- creation of a position of Design Integrity Officer within its structure to liaise with the building's architects (MGT) to provide guidance and oversight to proposed changes to the building, its furniture and fittings;
- commissioning of Ms Pamille Berg to prepare a series of papers covering all aspects of the Parliament House design which eventually became the work entitled *The Architect's Design Intent for Parliament House Canberra: Central Reference Document*;
- not allowing assets within Parliament House to deteriorate to any great extent, that is, maintaining Parliament House and its assets at a level of 90 per cent of new; and
- engaging, on an annual basis, a building consultant who audited the JHD's performance in asset management.²

4.6 Mr Bolton outlined the reasons behind these proposals:

JHD did not want Parliament House to go the way of many other great buildings where original design concepts which very much establish the overall building character are forgotten and changes are made according to the whims of the time. Eventually it seems to be that when a building requires major refurbishment because of the ravages of time considerable extra expense is [in]curred as people realise the beauty or symbolism of the original design and seek to have the elements of the original design reinstated. There are many examples of this having occurred throughout the world.³

4.7 Ms Pamille Berg noted the developments under Mr Bolton and stated:

What is important is that, at the time that he determined that he was going to set up an integrated management process for design integrity and design intent, he had control of his department. He set up an interdepartmental committee, which at that time was called the IDIAC, that met to deal with the crossover issues involved in dealing with change. Within the Joint House Department as it existed at that time they already understood that there had to be a very formal process to create continuity in the decisions that were being made.⁴

Committee comments

4.8 The committee is not in a position to judge the success or otherwise of the JHD's regime to protect the heritage of the building. The committee notes Mr Bolton's comments that mistakes were made while the JHD established its stewardship of the new Parliament House and that a range of requests for changes to the building and accommodation were received once it was occupied. However, the committee notes the foresight of the JHD in commissioning the Central Reference Document, the

2 Mr Mike Bolton, *Submission 12*, pp 1–2.

3 Mr Mike Bolton, *Submission 12*, p. 2.

4 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 9; see also Walter Burley Griffin Society, *Submission 22*, p. 4.

appointment of a Design Integrity Officer and the use of a building consultant to undertake annual audits.

Department of Parliamentary Services

4.9 The Department of Parliamentary Services was established in 2004 following the amalgamation of the Joint House Department, the Department of the Parliamentary Library and Department of Parliamentary Reporting Staff. Both the Presiding Officers and DPS have indicated that policies and procedures are in place to protect the heritage values of Parliament House.

4.10 In 2006, the Presiding Officers noted that significant changes to the building already require both parliamentary approval and approval from the National Capital Authority and that these requirements have operated satisfactorily for 18 years. Further, the procedures already in place under the *Parliament Act 1974* and other legislation for managing significant works are appropriate.⁵ The legislation provides for the following:

- *Parliament Act 1974*: section 5 of the Act provides that no building or other work is to be erected on land within the Parliamentary zone unless:
 - in the case of works within the precincts – the Presiding Officers must cause a proposal for the work to be tabled in each House and the proposal must be approved by resolution of each House; or
 - in the case of works outside the precincts – the Minister responsible for administering the Act must cause a proposal for the work to be tabled in each House and the proposal must be approved by resolution of each House.
- *Australian Capital Territory (Planning and Land Management) Act 1988*: the Parliamentary Zone is a Designated Area under the Act. No works, including construction, alteration, extension or demolition of buildings or structures, can be undertaken without the approval of the National Capital Authority. Works inside buildings are excluded from this provision.

4.11 Parliamentary committees also have oversight with the resolution of appointment of the Joint Standing Committee on the National Capital and External Territories providing that the Committee may inquire into and report on:

- (a) matters coming within the terms of section 5 of the *Parliament Act 1974* as may be referred to it by:
 - (i) either House of the Parliament; or
 - (ii) the Minister responsible for administering the *Parliament Act 1974*; or
 - (iii) the President of the Senate and the Speaker of the House of Representatives;

5 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment AD, p. 4594.

- (b) such other matters relating to the parliamentary zone as may be referred to it by the President of the Senate and the Speaker of the House of Representatives.

4.12 DPS also provides briefs to the Joint House Committee in relation to certain projects. For example, the Committee was briefed about the changes to the Staff Recreation Area to provide additional staff accommodation.

4.13 More recently, DPS stated that:

There is a very broad framework of governance and policy and procedural documents that apply to this asset and heritage management role of DPS. These documents range from 'whole-of-government' instruments—such as legislation, regulations, Finance Minister's Orders and Department of Finance guidelines—through to specific DPS policies, procedures and guidelines.⁶

4.14 DPS identified a number of matters which supported heritage values including:

- DPS reports against its environmental EPBC responsibilities in the Annual Report;⁷
- annual inspection and reporting against key performance indicators;
- all capital works projects are required to meet the requirements of the DPS Strategic Plans;
- maintenance and asset replacement programs must take into consideration design integrity requirements; and
- a range of Governance papers that address moral rights, design integrity and compliance with heritage principles.⁸

4.15 In relation to Governance papers, DPS noted that *Governance Paper No 33—Caring for Parliament's Assets*, notes:

For the next 200 years (at least), it is the intention of the Australian Parliament to base itself in the new Parliament House.

New Parliament House is recognised as a design icon and is part of Australia's heritage. This should not be compromised.

This leads to the asset management principle:

Protect what we have—we need to maintain the design integrity and heritage values of this building and preserve cultural heritage assets that have unique heritage assets that have unique national historic significance.⁹

6 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4572.

7 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4594.

8 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4596.

9 Department of Parliamentary Services, *Governance Paper No 33—Caring for Parliament's Assets*, see *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4599.

4.16 DPS also noted that some heritage aspects are met by ensuring DPS specifications and standards are used. DPS went on to note:

However, many of these specifications and standards can result in very high costs. As a *Financial Management and Accountability Act 1997* Agency, DPS is required to ensure it manages public resources efficiently, effectively and ethically. To ensure the efficient and effective use of public money DPS evaluates alternative solutions and considers the application of the specifications and standards in relation to the significance of the space, fitness for purpose and cost implications.¹⁰

4.17 In addition, DPS stated that systems and procedures have been progressively developed for management of the Parliament House Art Collection and the approach to capital works to take account of heritage and design integrity considerations has been refined.¹¹ DPS has also finalised the Parliament House Heritage Management Framework and has sought completion of the CRD.

4.18 The following discussion provides an overview of the development of the Heritage Management Framework. Evidence received in relation to the success of DPS's practices and policies to protect the heritage values of Parliament House is then discussed. The CRD is discussed in chapter 5.

Parliament House Heritage Management Framework

4.19 DPS advised that over that last five to six years work has been undertaken to develop an 'overarching heritage policy or strategy for Parliament House'. The first version, the Heritage Strategy, was undertaken by the firm Heritage Management Consultants Pty Ltd and resulted in 15 drafts provided to DPS between November 2006 and May 2009 at a cost of \$17,000.¹² In May 2008, DPS provided a draft Heritage Strategy for the Australian Heritage Council's (AHC) advice. The AHC noted:

The [Australian Heritage] Council was satisfied with the way in which the draft heritage strategy addresses the requirements of the EPBC Act and provided its comments recommending minor amendments to DPS on 13 August 2008.¹³

4.20 The draft Heritage Strategy was based on the assumption that Parliament House was owned and controlled by a Commonwealth agency (the Secretary of DPS) and therefore 'the full powers' of the heritage provisions of the EPBC Act were considered to apply to Parliament House. Subsequent legal advice confirmed that

10 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4602.

11 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4574.

12 Department of Parliamentary Services, *Submission 3*, p. 10. See also Budget Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 46.

13 Australian Heritage Council, *Submission 17*, p. 1.

Parliament House is under the control and management of the Presiding Officers who are not Commonwealth agencies.¹⁴

4.21 Following this legal advice, the Heritage Management Framework was developed by a DPS officer with postgraduate qualifications in cultural heritage management.¹⁵ The Heritage Management Framework was approved by the Presiding Officers in December 2011.¹⁶

4.22 The document defines a Heritage Management Framework as follows:

A heritage management framework describes and assesses the heritage value of a site and guides the development of strategies and plans that protect and raise awareness of these values. A heritage management framework also provides information on management aspects to better protect heritage values on a day-to-day basis.¹⁷

4.23 This definition is based on the definition of a heritage management plan taken from the Defence Guide to Heritage Management Planning, Defence Heritage Toolkit (Guide 6).¹⁸

4.24 Action 3 of the Heritage Management Framework notes that:

All planning documents developed for Parliament House will refer to this Heritage Management Framework as a primary guide for the management of its heritage values.¹⁹

4.25 The Heritage Management Framework also establishes the Parliament House Heritage Advisory Board. The primary function of the Heritage Advisory Board is to provide advice to the Presiding Officers and to provide oversight of detailed heritage issues for Parliament House. To fulfil these functions of the Heritage Advisory Board is to:

- make recommendations to the Presiding Officers on heritage policies and major heritage issues;
- provide advice and guidance to the Parliamentary departments on heritage issues and policies;
- review proposals for significant change or conservation/preservation work in Parliament House;

14 Department of Parliamentary Services, *Submission 3*, p. 10.

15 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Estimates Hansard*, 23 May 2011, p. 62.

16 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Letter to the committee*, dated 15 December 2011.

17 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 2.

18 *Defence Guide to Heritage Management Planning, Defence Heritage Toolkit*, Guide 6, p. 1.

19 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 21.

- provide practical heritage advice and innovative solutions to a range of Parliament House users; and
- as required, provide direction for capital works planning to ensure strategic heritage issues are adequately addressed and project delays are prevented.²⁰

4.26 The Advisory Board consists of the Secretary of DPS, and an employee of each of the Chamber departments (Usher of the Black Rod and Serjeant-at-Arms). The Board is assisted by the Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) and the National Capital Authority (NCA) as well as any stakeholders it may wish to consult.

4.27 DPS advised the committee that it had sought the views of DSEWPaC regarding the draft Heritage Management Framework. DSEWPaC acknowledged that DPS 'has prepared the draft Heritage Management Framework in the spirit of the EPBC Act for the management of the potential National and Commonwealth Heritage values of the Parliament House'. DSEWPaC noted that the draft Heritage Management Framework 'is consistent with the National and Commonwealth Heritage management principles (as contained in the Environment Protection and Biodiversity Conservation Regulations 2000) and the Burra Charter principles'.²¹

Assessments of DPS heritage policies and practices

4.28 Evidence provided to the committee called into doubt the level of heritage protection provided to Parliament House by DPS policies and practices. This evidence ranged from general concerns, such as the lack of adherence to best practice in heritage management, to specific issues related to the Parliament House Heritage Framework which was generally viewed in a less than favourable light.

4.29 The view was put to the committee that the heritage management of Parliament House should be of the highest order.²² The International Union of Architects, for example, stated:

The UIA together with other international organisations interested in conserving world architecture such as UNESCO, ICOMOS and DOCOMOMO International require that the highest standards be used to conserve and manage the World's monuments. We are concerned that this has not been the case with Australia's Parliament House.²³

20 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 15; see also Department of Parliamentary Services, *Submission 3*, p. 11.

21 Department of Parliamentary Services, Additional information, dated 11 October 2011, Attachment A. The Burra Charter and its accompanying guidelines are considered the best practice standard for cultural heritage management in Australia. See <http://australia.icomos.org/publications/charters/> (accessed 16 January 2012).

22 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 9; Australian Institute of Architects, *Submission 14*, p. 2.

23 International Union of Architects, *Submission 4*, p. 1.

4.30 The National Trust also expressed concern that 'the appropriate conservation practice is not being followed' for Parliament House.²⁴ Mr Martin commented that DPS:

...needs a clearly structured plan and detail, which has been developed through a normal process of developing heritage management plans, to give them the guidance they need to look after this very important building.²⁵

4.31 Mr Romaldo Giurgola commented that there is an absence of an approved strategic policy framework. Of particular concern:

...is the lack of sufficient measures which recognise and preserve the integrity or the wholeness of the design intent and the relatedness across all aspects of the Parliament House, ranging from its building fabric to the chair construction or carpet pattern or configuration of the park on the landscape.²⁶

4.32 Mr Giurgola went on to argue that there is an urgent need for a strategy to manage change 'with an essential framework of checks and balances on the competing and different interests within the building'.

4.33 DPS has developed the Heritage Management Framework which it believes will 'provide an excellent basis for recognising heritage values, while still allowing the work of the Parliament to evolve over time'.²⁷ The following addresses evidence in relation to the Heritage Management Framework. Suggestions for alternative processes are outlined below.

Parliament House Heritage Management Framework

4.34 In relation to the Heritage Management Framework, the committee heard a range of criticisms. Mr Martin, National Trust, voiced concern that the Framework did not go far enough; that a Heritage Management Framework is only part of the heritage process. He commented that it is not consistent and is not 'rigorous enough in respect to what is accepted conservation practice today'.²⁸ Professor Weirick went further and stated that the Heritage Management Framework, in many ways, is:

...inadequate, misleading and indeed a dangerous document. In addition to all of the other concerns, what is not clear to us is the measure of ultimately parliamentary oversight of what takes place at parliament.²⁹

4.35 Professor Weirick and Mr Martin pointed to a number of specific issues, including that the Heritage Management Framework did not cover the entire

24 National Trust of Australia, *Submission 5*, p. 1.

25 Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 1.

26 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 1.

27 Department of Parliamentary Services, *Submission 3*, p. 11.

28 Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 2.

29 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 6.

Parliamentary Precinct.³⁰ Of significant concern was that DPS had undertaken no serious public consultation with professional organisations or community organisations, which Professor Weirick saw as 'a very big disconnect'.³¹

4.36 While the Heritage Management Framework provides for strategies for stakeholder and community consultation, Mr Martin commented that the National Trust had no confidence that this consultation will actually occur. In relation to the Advisory Board, it was noted that it had 'limited heritage expertise to make serious decisions in respect to the heritage values'. Mr Martin also added the Framework fails to acknowledge some aspects of the architectural significance of the building and its importance within the Australian Institute of Architects and the International Union of Architects. Further:

There is inconsistency between the analysis and the statement of significance. There are things stated in the analysis of high value and then put into the statement of significance as exceptional. The statement of significance fails to acknowledge all the recognition of this building, nationally and internationally, on various awards and citations. I think that is a shortcoming in respect to the whole thing.

Because it has not gone through a public and professional assessment through a consultation process, I think the rigour evidenced in the statement of significance and the analysis is not there...Our concern is that, without this structure in place, the heritage values of this place are not fully recognised and will not be fully protected, and it needs that rigour in place.³²

4.37 Mr Martin suggested that consultation processes could be improved through the use of a reference group:

That reference group can have a range of diverse interests. The National Trust sits on a number of territory related reference groups at the moment and we have that sort of input so that the views of the trust are heard at that reference group and then passed back. I strongly recommend that a reference group that is representative of a wider group of expertise that can contribute to issues relevant to potential change and the conservation of this building is the best way going.³³

4.38 The Walter Burley Griffin Society asserted that the Heritage Management Framework drafted by DPS 'proposed a system of self-regulation, with no statutory basis, no checks and balances, and no meaningful provision for public consultation'.³⁴

30 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 6; Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 1.

31 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 8.

32 Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 1.

33 Mr Eric Martin, President, National Trust of Australia, *Committee Hansard*, 2 May 2012, p. 4.

34 Walter Burley Griffin Society, *Submission 22*, p. 3.

The Society went on to argue that a comprehensive Heritage Management Plan for Parliament House should be prepared by 'eminent heritage consultants with expertise in the conservation of architecture, landscape architecture, urban design, engineering, furniture and art works'.³⁵

4.39 The Australian Institute of Architects recommended that a Conservation Management Plan (CMP) should be in place:

Ideally, the CMP should be concerned with activities related to the built form, the views to and from the place, the landscape, and the craft and artwork all associated with the original design of the place.³⁶

4.40 The National Trust also called for a detailed Conservation and Management Plan to be developed. Such a plan would need to consider all components such as the building, landscape, furniture, art collection and other objects associated with the building as well as full public consultation in the preparation of such a document.³⁷

Response from DPS

4.41 In response to this evidence, Mr Grove, then Acting Secretary, DPS, stated that 'I accept that in the past some of the practices have not been ideal, but again during that process there were people who held very, very strong views one way or the other as to whether or not something should be kept or gone or how some sort of approach should be made'.³⁸ Mr Grove pointed to the views expressed about the listing of the building but noted that the Presiding Officers were firmly of the opinion that this should not occur. That being the case, he went on to comment:

...DPS has attempted to do in more recent years is to try to live within that decision. As a consequence, the framework was developed in consultation with the department responsible for the Heritage Council and their feedback. My understanding is that, within the constraints of that, they are quite comfortable with the way that is progressing. It is a work in progress.³⁹

4.42 This was reinforced by Ms Judy Tahapehi, Director, DPS, who noted that even though DPS was not required to meet the obligations of the EPBC Act, DPS had done so, 'as far as possible'. DPS also ensured that the Heritage Management Framework was consistent with the National and Commonwealth heritage management principles in the Burra Charter. The principles have subsequently been embedded into the practices of DPS.

35 Walter Burley Griffin Society, *Submission 22*, p. 3.

36 Australian Institute of Architects, *Submission 14*, p. 2.

37 National Trust of Australia, *Submission 5*, p. 1.

38 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 43.

39 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 43.

4.43 Ms Tahapehi also noted that the architects had not been consulted on the development of the Framework but 'we have made sure that the consultation with them is embedded into our actions and principles'.⁴⁰

4.44 In relation to the Heritage Management Advisory Board, Mr Grove stated:

The advisory board does not claim to have any expertise in the area of architecture, design or whatever; they are bureaucrats who are attempting to live within that framework. But that advisory board, you would note, clearly has provision for expert advice to come in. It may be that that advisory board can have as part of its mechanism some sort of reference group, as was suggested this morning in the evidence given, to attempt to provide access for community consultation.⁴¹

4.45 Mr Grove concluded that it is hoped that the Heritage Management Framework:

...will be there in sympathy with the principles involved in relation to heritage and the proper keeping of an iconic building like this, because it is so much more than the building itself; it is its content, the way it appears et cetera...

I think the important thing is that there is clear recognition now that those issues cannot be ignored and, if there are difficult issues that need to be discussed in the broader community with the experts, that conversation needs to be held.⁴²

Maintenance of design integrity by DPS

4.46 The committee considers another measure of the success of the heritage protection of Parliament House is the maintenance of design integrity and the relationship between DPS and the buildings architects, in particular Mr Romaldo Giurgola as the moral rights holder. The following provides a discussion of general issues regarding consultations between DPS and the building's architects. The committee will examine in detail specific projects which have raised design integrity issues in its next report.

Moral rights

4.47 Since 1988, Mr Giurgola holds and exercises the moral and intellectual property rights in the design of Parliament House.⁴³ The *Copyright Act 1968* (Copyright Act) sets out obligations in relation to moral rights and copyright holders.

40 Ms Judy Tahapehi, Director, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 44.

41 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 43.

42 Mr Russell Grove, Acting Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, pp 43–44.

43 Mr Romaldo Giurgola, *Submission 7*, p. 3.

4.48 Moral rights obligations are recognised in a range of DPS documents. The *DPS Building and Security Projects Large Project Checklist* for example, requires that informal consultation be undertaken with the moral rights holder at the design options phase, and that formal notification be undertaken at the 80% stage.⁴⁴

4.49 The Heritage Management Framework addresses moral rights. It is stated:

Any proposal for change that affects significant elements of the building and surrounds or conservation work will include a consultation period with stakeholders, especially with the designers and makers of the various aspects of the building and its commissioned furniture, art and craft.⁴⁵

4.50 The Framework notes that moral rights holders must be consulted in accordance with provisions of the Copyright Act. DPS will also hold meetings with the building's architects:

DPS project officers will meet quarterly with representatives of the firm Guida Moseley Brown Architects to discuss proposals and seek advice.⁴⁶

4.51 Moral rights holders cannot preclude DPS from carrying out the building changes that it wishes to make as long as it has complied with its obligations under the Copyright Act.

4.52 In its submission to the committee, DPS reported that proposals to change the building are assessed against the original design as expressed in the CRD and that there has been 'periodic consultation with the original architects'. This consultation:

...respects the moral rights of the architects, and also seeks their views about design integrity. It is noted that the original architects have not always been in full agreement with development proposals prepared by other firms. Nevertheless, the consultation process continues and is generally constructive. DPS also engages the original architects on a commercial basis from time to time.⁴⁷

4.53 DPS advised that the evaluation process for a proposed project includes consideration of the effect on design integrity of the infrastructure. Further:

Historically, DPS staff, from time to time, have held discussions with Mr Giurgola and GMB Architects (which comprises a number of the original APH architects) about Parliament House design issues. This has now been formalised with regular meetings to provide a forum for DPS to advise Mr Giurgola and/or GMB Architects of projects identified for inclusion on the Capital Works Program (CWP). Additional discussions are scheduled on particular projects where necessary at the Concept drawing

44 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, Attachment AT, p. 4600.

45 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 5.

46 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 5.

47 Department of Parliamentary Services, *Submission 3*, p. 7.

stage and sometimes at later design stages if there are particular issues to consider.

This consultation is conducted in addition to the 'Notice to Author of Artistic Work', Pursuant to Section 195AT(3A) of the *Copyright Act 1968* Regulation 25AA (2) (Moral Rights) which, if required, is provided once the project has commenced and a design is available for review.⁴⁸

4.54 DPS went on to note that its consultation process with moral rights holders:

...provides an additional opportunity to comment on specific issues with the design.

Should the Moral Rights holder not agree with the plans, we arrange meetings to identify the key issues and possible alternative approaches. However, the regular meetings between the Director, BSP and Mr Giurgola, and additional informal discussions with GMB Architects are intended to reduce areas of concern at this stage of the design.⁴⁹

4.55 Mr Guida and Mr Giurgola questioned whether DPS had maintained the design integrity of the building. Mr Giurgola commented that DPS is managing in a 'down to earth' way and gives 'an immediate response without a second thought'. Mr Giurgola continued:

They do the best that they can with their own structure, but they cannot rely only on the presence of a moral right holder like myself because I only come occasionally and they do not have to listen to what I say. So, if there are outside pressures that are bigger, they go ahead with that, as is the case with the occupancy of the storage space. I made it evident many times to them the insufficiency that they have. I think this is a problem that is of interest to the whole nation. Every citizen should be concerned about that.⁵⁰

4.56 Mr Giurgola suggested that it should not be expected that the expertise for heritage management of Parliament House should lie within DPS. Rather, DPS performs the day-to-day role 'equivalent to those of a property management firm' while what is required is the 'expertise of highly trained professionals in multiple fields at the apex of their professions, equal in their experience and knowledge to the stature of the building which requires protection and preservation'.⁵¹

4.57 Mr Guida also commented on the management of heritage issues by DPS. He stated that while he thought that DPS did 'take the work seriously', there was a 'missing link' between the way they use the draft Central Reference Document and 'a comprehensive kind of guidance and concept of how management could take place using a document of this sort'.⁵²

48 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4600.

49 *Senate Hansard*, 16 August 2011, Question on Notice, No. 682, p. 4602.

50 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 4.

51 Mr Romaldo Giurgola, *Submission 7*, p. 3: see also Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 5.

52 Mr Hal Guida, *Committee Hansard*, 16 November 2011, p. 4.

4.58 Ms Berg raised the issue of loss of focus within DPS following the amalgamation of the three former departments:

What has happened in the interim period with the mega-department versus what the Joint House Department was doing at that time with more direct control over these processes after realising that there had to be formal overarching processes that led back to the Parliament is questionable.⁵³

4.59 Ms Berg also agreed that it would be unrealistic that the expertise for a long-term strategic vision as well as the day-to-day running would reside in DPS. Ms Berg stated:

To expect that DPS has had in the past or will have in the future the in-house staffing capability and expertise in multiple fields **to generate** that highly specialised advice is unrealistic.⁵⁴

4.60 Ms Berg emphasised the need for a different structure to deal with competing interests of those occupy the building, and who may demand changes to the building, which would take into consideration the need for independence.⁵⁵

Consultations/moral rights engagement

4.61 The committee heard evidence relating to the consultations/moral rights engagement between Mr Giurgola and DPS. Ms Berg noted that the Copyright Act gives three rights to creators: the right of attribution; the right to not have their work misattributed; and the right of the nonviolation of the integrity of what that thing is.⁵⁶

4.62 As noted above, DPS recognises across a range of documents, the need to consult moral rights holders. However, Mr Giurgola commented that he 'can **do little or nothing** as the holder of the moral rights to the design to prevent the weakening and denigration of this building's design integrity'. He went on to state that there is no requirement under the Copyright Act to consult moral rights holders or for the advice, when given, to be followed.⁵⁷

4.63 Mr Giurgola and Ms Berg provided the committee with examples where no moral rights consultation had taken place or where advice had not been followed. Mr Giurgola stated that he had been 'extremely distressed' when elements such as 'lifetime' furniture designed and custom made for the building, custom light fittings and the complete fitouts for entire areas of the buildings had been sold off. In addition, the occupation of underground areas had violated one of the building's most essential design principles.⁵⁸ While he was informed of accommodation work underground as

53 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 9.

54 Ms Pamille Berg, *Submission 13*, p. 4.

55 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 5.

56 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 11.

57 Mr Romaldo Giurgola, *Submission 7*, p. 6.

58 Mr Romaldo Giurgola, *Submission 7*, pp 6–7.

part of his moral rights notification, the timing was such that it was after much of the work had been done, which made the notification pointless. Mr Giurgola explained:

I found it was a tragic solution, really, because it is a place that does not have enough penetration of daylight and it is a very crowded office, on a different level of the space which implies connection between different levels and movements throughout and so forth. So I think that was something that was contradictory to the spirit of the design of the workplace. And I was too late. Then the thing obviously went mechanically through the process, with the economics that involved, and there was nothing to do about it.⁵⁹

4.64 Ms Berg noted the fitting out of the endocroft space (former Staff Recreation Room) behind the staff cafeteria with offices was opposed 'very strongly' by Mr Giurgola. In a letter to the Presiding Officers regarding this project, Mr Giurgola stated:

I would be very embarrassed for any professional colleague to see the whole idea of what has been done here—for them to think that I could have been responsible for this degree of planning and execution and the placement of people in this zone of the building where the curved walls of the building are meant to hold the ceremonial, large-scale, monumental public places and the executive and there was to be no leakage of offices into that space, let alone the quality of the accommodation.⁶⁰

4.65 Ms Berg went onto question who DPS relies on to undertake architectural work in Parliament House. She noted that Mr Giurgola and other members of the design team remained in Canberra following completion of the building and 'we could not have had a better circumstance of being able to keep that continuous vision of the why and what was appropriate and have a closer connection, a closer advisory capacity, about who the appropriate architect would be for these multiple projects that are happening within the building with multiple hands'.⁶¹ Mr Giurgola also commented on the seemingly 'casual' choice of architects by DPS:

The fact is that in the near future the building will need quite a bit of enlargement because of the population increase and so on...Up to now the selection of professionals for changing inside has been very casual and very difficult to control. This is a building that will require a firm and clear hand at the top level of the profession, so it will be necessary to formulate a system that allows that, to guarantee the presence of the best quality of advice that you can get.⁶²

4.66 However, Mr Giurgola described a positive experience with the child care centre where he had been contacted by the project architect:

59 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 13.

60 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 11.

61 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 11.

62 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 6.

...I worked with him intensively on the project, and it became very much a possible thing in terms of the place in which it was put. So it was created. That was a good experience for me because we had a long discussion about the real necessity of the creche in that particular place. In fact, I suggested the area outside that and inside and so forth, and we came to a kind of intelligent approach, I think, to that problem—and very significant too. But that was the situation. Sometimes, of the people who are employed, some are aware of this problem, but to others it is nothing.⁶³

4.67 The Walter Burley Griffin Society raised concerns about the nature of consultation between DPS and the original architects, as well as the changes to the building which are seen to have compromised the design integrity:

The Society is also deeply concerned that the DPS submission states that 'the original architects have not always been in full agreement with development proposals prepared by other firms' and the submission from Romaldo Giurgola AO LFRAIA LFAIA, dated 27 July 2011, draws attention to the 'weakening and denigration' of the building's design integrity by the development of permanent staff offices in the basement, 'remote from natural light...thereby violating one of the building's most essential design principles regarding the provision of good work-spaces for every worker'; and by the de-accessioning of custom designed furniture, light fittings, wall textiles and fitouts for entire areas of the building.

These depredations are not acceptable.

The problem is clearly the consequence of DPS establishing a self-regulated Design Integrity System, with no oversight and no accountability beyond self-generated compliance tables in the Department's Annual Report.⁶⁴

4.68 The committee also received evidence from Mr John Smith, the artist commissioned to design, fabricate and install the furniture for the Leader of the Opposition's suite. Mr Smith noted that the terms of his contract with the Parliament House Construction Authority (PHCA) stated that the suite could not be modified or amended without his permission. However, shortly after installation, the furniture was removed and replaced at the request of the then Leader of the Opposition. Mr Smith stated:

These acts were clearly a breach of contract. A politician would not be permitted to cut out a third of a painting because it offended his or her sensibility. To remove a third or more of my suite is no different an act to this. The integrated suite as a whole constitutes a single artwork. The furniture was designed to last the projected life of the building (200 years) as was required by the design brief. It lasted only a couple of weeks before it was significantly violated. The suite belongs to the office of the Leader of the Opposition and to the people of Australia. It is not the property of any politician to be tampered with at will.

63 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 13.

64 Walter Burley Griffin Society, *Submission 22*, p. 4.

I urge this Inquiry to reinstate the suite in its entirety in line with the original design concept for the building.⁶⁵

Response from DPS

4.69 At its hearing in May, DPS commented on its consultations with the building's architects. It was noted that the need to consult with the architects is embedded in the Heritage Management Framework's principles and actions. It was also stated that the DPS Projects Branch has meetings to discuss various issues related to different projects throughout the building. In addition, there is a quarterly meeting that looks at the capital works program.⁶⁶ The relationship with Mr Giurgola was described by DPS as 'very positive' and that he had 'expressed how grateful he is for the amount of consultation that we currently do with him'.⁶⁷

4.70 Mr Kenny provided further information on consultations with the architects, in particular in relation to the changes to the Staff Recreation Room. Mr Kenny stated:

In 2010, when the planning for the staff dining room accommodation work was being done—and I think it is fair to say that the original architects had very strong views about that and were upset that they were not consulted—we had advice from our design integrity people at the time that consultation was not required because of the nature of the change. So we proceeded on the basis of that advice. We became aware that that decision was not the correct decision, and later that year, in 2010, we instigated with the original architect a regular meeting so that whatever else happened there would be consultation. I do not know how often they meet now. My recollection is that the decision was that quarterly meetings would be appropriate, plus others as required. So in 2010 we instigated a regular process to ensure that we had a forum where the original architects and our people would meet to discuss any relevant issues.⁶⁸

Alternative approaches to ensuring the maintenance of heritage values

4.71 It was argued in evidence that it was beyond the expertise of DPS to provide the standard of advice and expertise needed to maintain the design integrity and the highly developed and integrated symbolic elements of the building. Submitters pointed to the challenges facing DPS when varying, and often contradictory, interests of the building occupants need to be balanced. It was argued that appropriate consultation with outside experts was required. Ms Berg, for example, stated:

It is obvious that the process of determination of the best, most workable method for the protection of the building's design integrity and management

65 Mr John Smith, *Submission 23*, p. 1.

66 Ms Judy Tahapehi, Director, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 44.

67 Ms Judy Tahapehi, Director, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 46.

68 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 46.

of ongoing change by experts in the field needs to be conducted in formal, ordered consultation and collaboration with the building's key external and internal stakeholders, including representatives from all of the Parliamentary Departments and the building's original architects. However, the provision of the expert advice needs to be independent and at arm's length from those Departments.⁶⁹

4.72 Mr Giurgola also suggested that a wide range of advice needs to be sought to ensure that decision making is appropriate for the proper preservation of the architecture and symbolic integrity of the building:

...firstly, senior expertise from the relevant professions of architecture, urban design, landscape, interior design, history and heritage management; secondly, the expertise of key internal stakeholders—senior staff members of the House, the Senate and executive departments, members and senators, departmental library and so on—with respect to understanding and projecting the function and tradition of Parliament House; thirdly, the knowledge and vision of external stakeholders: carefully selected key members of the public, both local and national, who have distinguished themselves through their dedication to the perpetuation and preservation of living cultural icons in Australia such as this building; and, finally, the embedded knowledge and experience of the day-to-day management of this functional building within its long-term care givers, important technical staff and administrators.⁷⁰

4.73 Mr Giurgola went on to state:

It is not my place to define here the structure of these checks and balances on decisions for change in Parliament House; however, I believe that, when the parliament has at last entrenched a model process of carefully crafted strategic policy in the protection of essential design values and management of change in the building, then the Australian people can feel assured that in the future such decisions on change will have been made as wisely as possible, utilising the expertise of both experts and stakeholders and forging a responsible way forward.⁷¹

4.74 The former Secretary of the JHD also put his view on this issue. Mr Bolton commented:

...is it sufficient to allow the maintenance of the design integrity of Parliament House to be left solely within the control of a part of the parliamentary administration, currently the DPS? Works need to proceed both in a regulated but also timely manner. I urge the Committee to suggest to the Senate that parties such as DPS, a representative of the Presiding Officers, the original partners of MGT, a noted heritage architect and representatives of other appropriate bodies be called together to develop an efficient and effective method of considering design integrity issues in the

69 Ms Pamille Berg, *Submission 13*, p. 4.

70 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 2.

71 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 2.

building which does not unduly delay necessary works to accommodate the changing needs of the Parliament.⁷²

4.75 The committee received evidence suggesting mechanisms to reinforce the maintenance of heritage values of Parliament House. Mr Guida, for example, noted that the PHCA was an independent body but was responsible to the Joint Standing Committee on the New Parliament House. He saw the PHCA's independence as providing 'a free-from-influence environment to seek the best solutions from all parties, and the reporting to the Committee ensured review and approval'. He went on to suggest that:

...it would be appropriate to establish an independent body (Architect of the Parliament?) outside of the various parliamentary departments to provide assessment of best practice of maintaining design integrity, and the development of strategies, policies, guidelines, and conservation management directions to allow for careful modifications of the building to occur over the next generation's occupancy. This position could be required to report to a joint committee for comment and approval and acceptance of directions from time to time.⁷³

4.76 The Walter Burley Griffin Society also called for the establishment of an Office of Architect of Parliament House, as well as a Design Office to oversee the capital works program for Parliament. The Society noted that the JHD had a chief architect but that position no longer existed.⁷⁴ This was seen as a backward step as:

Given the complexity, sensitivity and heritage significance of Parliament House, a works program of this scale – which is expected to continue for many years – should be overseen by a Design Office with the highest levels of expertise in architecture, landscape architecture, urban design, interior design, industrial design, heritage conservation, environmental engineering and fine arts.⁷⁵

4.77 The Society recommended that the Office of Architect of Parliament House be established through dedicated legislation. It was argued that this would 'ensure the maintenance, operation, development and conservation of the Australian Parliament House at a level commensurate with its outstanding heritage significance to the nation'.⁷⁶ The Society pointed to the role of the Architect of the Capitol in Washington D.C., established in 1793, with responsibility to the US Congress for the 'maintenance, operation, development and preservation' of the US Capitol building.⁷⁷

72 Mr Mike Bolton, *Submission 12*, p. 2.

73 Mr Harold Guida, *Submission 1*, p. 1; see also Mr Harold Guida, *Committee Hansard*, 16 November 2011, pp 2–3.

74 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 9.

75 Walter Burley Griffin Society, *Submission 22*, p. 6.

76 Walter Burley Griffin Society, *Submission 22*, p. 6.

77 Walter Burley Griffin Society, *Submission 22*, p. 6. See also <http://www.aoc.gov/aoc/architects/Stephen-T-Ayers.cfm> (accessed 29 February 2012).

4.78 The committee also notes that Mr Russell Cope, in his 2001 paper on the architecture of parliamentary buildings, commented that while there are annual reports by parliamentary departments 'there is no report published devoted to the actual parliamentary building and its preservation and use. It is almost impossible to obtain an informative and current picture of the present position of these buildings'. Mr Cope suggested that 'Australian parliament houses deserve their own periodic reports published for public benefit and general interest of all'.⁷⁸

Committee comments

4.79 The committee recognises that the preservation of heritage aspects of a building as significant as Parliament House attracts a wide range of views. On the one hand are those who consider that it should be viewed as a static entity, to remain in the state as handed over to the Parliament in 1988. This view is not shared by the committee as the building needs to evolve as the Parliament evolves. The building's architects also do not support this approach. Mr Giurgola commented that:

It cannot just be given by heritage agencies, because those agencies are there to save forever something. But here we have to save forever something that keeps changing all the time, inevitably, and I think it should be. What is important is maintaining the wholeness of the old system and the symbolism that is so particular to this place, to this nation—not borrow it from left and right and so on.⁷⁹

4.80 However, it is this last point which needs to be addressed: how will change inevitably required in a working building be managed so that the inherent design integrity, symbolism and other interconnecting elements that make up Parliament House are not lost or degraded.

4.81 From the evidence received, the management of change has, in some cases, been less than successful. This was evident from the first years of occupation of the building when many changes were made, for example, the renovation of the Members' Dining Room and removal of furniture from suites. It appears that the Joint House Department recognised the need to protect the design integrity and sought to put in place processes to ensure that this occurred.

4.82 In recent years, concerns have again been raised about the rigor of mechanisms established to protect heritage values. The committee considers that these concerns are justified given the evidence of the lack of consultation with the architects in relation to the changes to the staff accommodation in 2010, the loss of heritage items and other matters which have been brought to the committee's attention are yet to be fully explored. The committee considers that this appears to indicate a lack of understanding of how the design intent can be incorporated in the changes required. The committee has yet to examine specific projects in this regard. It will do so in its

78 Russell L Cope, 'Housing a Legislature: When Architecture and Politics Meet', *Papers on Parliament No 37*, November 2001.

79 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 6.

next report. That these matters have arisen also points to a lack of transparency and accountability of the actions of DPS.

4.83 The committee notes that in President of the Senate's letter to the committee of 13 September 2011, the President notes that the Presiding Officers had tasked DPS:

to finalise arrangements for heritage management of the building which recognises its role as the home of a working parliament, and its status as a national icon.⁸⁰

4.84 The President also indicated that 'DPS has sought external expert advice and will continue to do so, as well as continuing consultation with relevant stakeholders'.

4.85 The committee has received evidence from DPS pointing to improvements in policies processes to ensure that heritage concerns are fully addressed. However, witnesses did not consider that DPS's response was yet sufficient to fully address heritage concerns. The Parliament House Heritage Management Framework, in particular, was singled out for criticism with the Walter Burley Griffin Society commenting that it was inadequate, misleading and dangerous.

4.86 The committee is not in a position to adjudicate on such comments. However, it appears that there has been a paucity of public consultation in the formulation of the Heritage Management Framework with no heritage organisations being consulted and no involvement by the building's architects. The committee notes that heritage strategies for other buildings across Australia are more detailed and far more comprehensive than that produced by DPS. The committee also notes that it has received recommendations for the creation of detailed conservation plans to support the Heritage Management Framework. In addition, there were calls for more expert advisors to be available to or be members of the Heritage Advisory Board. The committee acknowledges that the Heritage Advisory Board is an important step in improving the protection of the heritage values of Parliament House but considers that independent expert advice must be available to the Heritage Advisory Board and that any expert views provided must be considered appropriately.

4.87 Further work also appears to be needed in relation to the understanding of what constitutes a 'significant change' to the building. Indeed, the architects were not consulted about changes to the Staff Recreation Room area as it was viewed that the 'nature of the change' did not require such a consultation. However, to most occupants of the building, the scale of the renovation in this area would constitute a 'significant change'.

4.88 The committee has taken note of comments in relation to the level of expertise within the staff of DPS to manage the complex considerations when changes to the building are proposed. In the late 2000s, many staff who had worked in the building from 1988, including some who had worked on the actual construction, left DPS employment. They took with them a great deal of knowledge of the building. However, the committee agrees that even with very knowledgeable staff, it is

80 Senator the Hon John Hogg, President of the Senate, *Letter to the committee*, dated 13 September 2011.

unrealistic to expect DPS staff to have the expertise required to undertake comprehensive assessments of proposals and to provide comprehensive and balanced advice. This is particularly the case in a working building where many competing demands are made for change and enhancements.

4.89 The committee received a number of proposals aimed at ensuring that expert advice is available to DPS and to the Parliament. The committee is yet to come to a conclusion in this regard but considers that the availability of expert advice will be important as the Parliament continues to seek change to the building. For example, the establishment of the new Parliamentary Budget Office will require additional accommodation within the building which may result in renovation of some of the spaces in the Parliamentary Library.

4.90 A further matter raised was the level of consultation with the architects, particularly Mr Giurgola. DPS has indicated that in recent times regular meetings have been taking place and that the relationship has improved. While the committee is pleased to hear of this progress, it comes only after years of less than adequate interactions and even as late as 2010, DPS did not undertake consultation with Mr Giurgola in relation to the accommodations changes involving the Staff Recreation Room. The committee also notes comments from Mr Guida that while the level of consultation is an improvement this is an advisory process (voluntary and unpaid) and is only an alert. It does not provide DPS with detailed advice on the maintenance or infringement of design integrity within specific projects for change within Parliament House.

4.91 In this report, the committee has not come to a conclusion in relation to the matters noted above. It considers a number of issues require further consideration. These issues include:

- the need to improve the accountability and transparency of the Department of Parliamentary Services in relation to heritage matters;
- the role of the Presiding Officers and the Parliament in relation to heritage matters;
- the role of outside experts in guiding change in the building; and
- what constitutes a 'significant change' to the building.

4.92 The committee intends to explore these matters further and provide comments in its final report.

Chapter 5

Central Reference Document and other documents

Introduction

5.1 Following completion of Parliament House, the former Joint House Department (JHD) commissioned the writing of a document to capture the original architect's design intent for the building. The document, *The Architect's Design Intent for Parliament House Canberra: Central Reference Document* (Central Reference Document–CRD), is yet to be completed. The following discusses the development of the CRD and progress towards its completion. The committee also provides information on the apparent loss of original documents from Mitchell/Giurgola & Thorp (MGT) following completion of the building.

Development of the Central Reference Document

5.2 The Central Reference Document was commissioned by the JHD. Mr Mike Bolton, former secretary (1986–2004), JHD, informed the committee that the work was commissioned as:

In the first instance, JHD created a position of Design Integrity Officer within its structure to liaise with the building's architects (MGT) to provide guidance and oversight to proposed changes to the building, its furniture and fittings. A number of years later as the original architects involvement was diminishing and before their knowledge of the building was lost, JHD commissioned Ms P Berg of MGT to research and prepare a series of papers covering all aspects of the Parliament House design which eventually became the work entitled 'The Architect's Design Intent for Parliament House Canberra: Central Reference Document'. The intent was for this document to govern the approach to proposed changes to and within the building to ensure as far as possible that the original 'Developed Design' agreed to by the Parliament was maintained.¹

5.3 Mr Bolton went on to comment that 'JHD did not want Parliament House to go the way of many other great buildings where original design concepts which very much establish the overall building character are forgotten and changes are made according to the whims of the time'.²

5.4 Ms Pamille Berg, former MGT Partner, informed the committee that she worked on the draft CRD between 1999 and 2004. The draft completed in August 2004 consists of 31 chapters and was prepared in consultation with Mr Romaldo Giurgola and Mr Hal Guida. Ms Berg also commented that the draft is incomplete and requires refinement, revision and additions in order to fulfil JHD's original intention 'that the document should stand as a basic record of the Architect's design intent to be

1 Mr Mike Bolton, *Submission 12*, pp 1–2.

2 Mr Mike Bolton, *Submission 12*, p. 2.

utilized in the assessment and management of proposals for change and maintenance for the specified 200-year lifespan of the Parliament House building'.³

Importance of the Central Reference Document

5.5 The introduction of the draft CRD describes two primary uses and functions of the document. First, to provide a timeless, permanent record of the Architect's design intent prepared by a member of the design team for the building, rather than a person who did not have a central place in the design of the building. Secondly, that it will ensure DPS and the Presiding Officers have a reference for the daily management of the Parliament House 'when decisions on functional change, proposals for alterations, and replacement of fittings and furniture are required'. The CRD is also 'intended to facilitate that ongoing management process and the need for single-issue, intermittent reference within the expression of the building design's conceptual framework of the whole'.⁴

5.6 The importance of the document was emphasised in evidence by Mr Giurgola and other witnesses. Mr Giurgola stated that the CRD 'records in our words the intent of the brief requirement and our resulting design of the building, its interiors, its symbolism, its furniture and its landscape among other essential topics'.⁵ He pointed to the essential nature of the CRD in maintaining the design integrity of Parliament House:

The content of this essential document recording the design intent of the Parliament House cannot be provided by the staff of the present Department of Parliamentary Services, who perform multiple day-to-day stewardship roles that are more equivalent to those of a property management firm for a complex office park. The refinement and the completion of the central reference document will be of great importance for the future preservation of the building's essential value. But of course it cannot provide the urgently needed management strategy which needs to be prepared at a high and independent level for the parliament's gratification. This CRD can only underpin that strategy.⁶

5.7 Both Mr Guida and Ms Berg commented on the importance of the CRD, with Ms Berg stating:

I would just like to add that I hope there is not a perception that we are saying that [the CRD must be completed] because we wish to aggrandise ourselves and the design of the building. On the contrary, all we are saying is that for DPS and the external architects that are drawn in from everywhere, the fixers of timber and the other things that are done, if they are to understand what the right solution is to a renovation or a problem or an augmentation, the only way they can understand what that right solution

3 Ms Pamille Berg, *Submission 13*, p. 3.

4 Mr Romaldo Giurgola, *Submission 7*, p. 5.

5 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 1.

6 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, pp 1–2.

might be is if they understand why it was ever done the way it was in the first place. So all we are trying to do is to make sure that, in the words of the primary designers and the team, this is recorded for all time as a reference.⁷

5.8 These views were supported by the Walter Burley Griffin Society which stated it was 'deeply concerned' that such a vital document as the CRD had not yet been completed. Professor James Weirick, President, commented:

Considering the significance of that document and the importance of the original architect of this building, Romaldo Giurgola, who is now in his 90s, it is essential that that document be completed.⁸

5.9 The Society went on to recommend that the CRD be completed as 'a matter of urgency'.⁹

Completion of the Central Reference Document

5.10 The importance of the CRD is recognised in the Parliament House Heritage Management Framework. The Framework provides a list of principles and actions 'to ensure effective heritage management of Parliament House'. Action 2 requires the development and maintenance of a record of building, landscape and movable heritage. The implementation strategies include that:

The Central Reference Document will be finalised. The Central Reference Document expresses the Architect's intent in the design of the building and its surroundings. The purpose of the Central Reference Document is also to ensure that the Presiding Officers and the Parliamentary departments have a text to which reference can continually be made in the daily management of the Parliament House when decisions on functional change, proposals for alterations, and replacement of fittings and furniture are required. The format of the text is intended to facilitate that ongoing management process and the need for single-issue, intermittent reference within the expression of the building design's conceptual framework of the whole.¹⁰

5.11 While the Heritage Framework proposes the completion of the CRD, attempts had been made by the original design team in the years between 2004 and 2011 to have the document completed. Ms Berg stated that since August 2004, fee quotes had been provided on four occasions for the completion of the CRD.¹¹ Mr Giurgola also commented that both the JHD and DPS had been repeatedly reminded over the past

7 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 8; see also Mr Hal Guida, *Committee Hansard*, 16 November 2012, p. 9.

8 Professor James Weirick, President, Walter Burley Griffin Society, *Committee Hansard*, 2 May 2012, p. 6.

9 Walter Burley Griffin Society, *Submission 22*, p. 4.

10 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, 2011, p. 21.

11 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 8.

seven years that CRD has never progressed from its fifth full draft to final completion.¹²

5.12 At its hearing of 16 November 2011, Ms Berg informed the committee that the afternoon before the hearing she had received an email from DPS with a new statement of requirement for the completion, augmentation and refinement of the CRD. DPS required a quote and a detailed brief. Ms Berg commented:

It can be summarised as stating that some chapters, which we have identified many times in the past, need augmentation and completion. They have identified new chapters which they are particularly interested in because of the problems and issues they face. They have identified some larger issues about moral rights, symbolism et cetera. They have also identified an issue that we have pushed hard since 1988, and that is the saving and scanning of slide based images of the construction of the building, the human side of that construction, the design teams, the artists working et cetera, all of which are degrading fairly significantly now, as one knows, from 35-ml slide collections after what is really 30 years since many of them were taken. An additional group of those materials would be scanned, saved, used to illustrate the document and it would then be capable of being held both as the internal reference document but also potentially published as a book, which gives it an accessibility in libraries across the nation for researchers and others.¹³

5.13 Ms Berg stated that there is a substantial amount of work to do—probably two years of work to complete the document.¹⁴ A draft response and quote was provided to DPS by Ms Berg on 15 December 2011 with the final response and quote provided on 17 February 2012.

5.14 At its hearing on 2 May 2012, the committee sought advice from DPS on the progress of the quote. Ms Judy Tahapehi, Director, DPS, stated that a quote had been received from Ms Berg. However, Ms Tahapehi stated:

We were surprised at the expense of it. We took that quote to the Heritage Advisory Board this week for their consideration. They have asked us to go back and talk to Ms Berg about some of the things that she has suggested needs to be done to see if we can reduce the quote.¹⁵

5.15 The Heritage Advisory Board met on 8 June 2012 to reconsider the quote for completion of the CRD. The committee notes that the briefing paper provided by DPS to the Heritage Advisory Board for its 8 June meeting included details of the history of the draft CRD and details of the work which DPS considered 'unessential' quoted for in the consultancy by Ms Berg. DPS proposed that the CRD could be finalised for

12 Mr Romaldo Giurgola, *Committee Hansard*, 16 November 2011, p. 1.

13 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 8.

14 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 8.

15 Ms Judy Tahapehi, Director, Department of Parliamentary Services, *Committee Hansard*, 2 May 2012, p. 46.

around 40 per cent of Ms Berg's quote. At its June meeting, the Heritage Advisory Board agreed:

Not to progress Ms Berg's Response to Statement of Requirement: Fee Quotation for Completion of the Central Reference Document given the scale of the proposal, size of the estimate and extended timeframe from Ms Berg.

The Board agreed in principle that it was appropriate to seek quotes through Open Tender or Expression of Interest.¹⁶

Committee comments and conclusion

5.16 The committee has noted comments from witnesses concerning the importance of the Central Reference Document for the maintenance of the design integrity and heritage values of Parliament House. Mr Giurgola, for example, stated that both day-to-day management and processes that define the design integrity and heritage values of iconic buildings are often hampered by the lack of documentation. In the case of Parliament House, a draft document—the CRD—going to the design integrity of the building and the Architect's intent is available but requires completion. The completion of the CRD has added urgency given the age of Mr Giurgola and other key design team members.

5.17 The committee notes that DPS acknowledges the importance of the CRD as 'any proposals to develop or change the building are assessed against the original design' through the CRD. In addition, as noted above, the completion of the CRD is a required action under the Parliament House Heritage Management Framework.

5.18 The committee has been informed that the Heritage Advisory Board has not agreed to proceed with Ms Berg's quote on the grounds of the scale of the proposal, cost and timeframe. DPS's project requirement is for the CRD to be completed within a year to a standard which it believes captures the Architect's essential design intent for Parliament House so that it can be used by DPS in its decision making. The way in which Ms Berg believes that this should be achieved does not accord with DPS's project requirement.

5.19 The committee is extremely concerned that no agreement between Ms Berg and DPS has been reached to finalise the CRD and that DPS is now proposing to go to open tender or expression of interest. The committee acknowledges that DPS must ensure that projects are 'fit for purpose' and that Commonwealth funds are expended in an appropriate manner. However, the committee believes that Ms Berg's proposal encompasses work that she, in good faith, considers is required to complete a 42 chapter document with appropriate photographic illustration to a standard necessary to describing the Architect's design intent and thus establishing a key component for the protection of heritage values of Parliament House. Furthermore, the committee considers that it must be remembered that the CRD will be the primary reference document for the remaining life of the building—175 years.

16 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Letter to the committee*, dated 20 June 2012.

5.20 The committee is also disappointed in the length of time it has taken the Heritage Advisory Board to consider the brief and quote provided by Ms Berg in light of its comments about the timeframe proposed by Ms Berg to complete the CRD. Ms Berg provided her preliminary quote in December 2011 and final quote in February 2012. The Heritage Boards decision was only finalised in early June. Given the importance and urgency for the completion of the CRD, the committee considers that the highest priority should be accorded to the completion of the CRD while providing appropriate time for it to be completed without undue haste.

5.21 The project to complete the CRD is at a critical point: the Heritage Advisory Board has not accepted the quote from Ms Berg to complete the CRD; at the same time, DPS and other stakeholders see the CRD as central to heritage protection of Parliament House. While the Heritage Advisory Board has agreed to go to open tender or expression of interest, the committee considers that it would be detrimental to the quality of the final document for someone, other than a member of the original design team, to undertake this work. In addition, any other contractor would have to familiarise themselves with a great deal of detailed information and build a relationship with Mr Giurgola. The committee does not believe that this is a viable approach and is unlikely to make the process shorter or less costly.

5.22 The committee therefore considers that the Heritage Advisory Board should re-consideration its decision and should also consider an expansion of the scope of work on the CRD to meet, fully, the vision for the completed CRD as expounded by Ms Berg.

5.23 The committee is aware of the funding constraints under which DPS is now working. With this in mind, the committee considers that a one-off additional appropriation from the Commonwealth Government of \$100,000 be provided to DPS for the completion of the CRD by Ms Berg. This appropriation, in addition to the expenditure already proposed by DPS, should enable the CRD to be completed to a standard acceptable to all parties.

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.

Apparent loss of original documentation

5.25 During its hearing in November, Ms Berg informed the committee that while putting together an exhibition to coincide with Mr Giurgola's 90th birthday in 2010, the loan of some major original perspective sketches and drawings was sought from the National Archives of Australia (NAA). However, the NAA was unable to locate the items requested for the exhibition.

5.26 Ms Berg commented that material from the original design firm, MGT, was handed over to the Parliament House Construction Authority. The material was then

to have been transferred to the NAA. The material is recorded as being in the holdings of the NAA and consists of about 35 boxes containing rolls of drawings and other records. Ms Berg indicated at the November hearing that the NAA was investigating what had happened to the material. An initial investigation revealed that the material was held off-site. Ms Berg suggested that the boxes of material may have mistakenly ended up with the former Department of Administrative Services and 'I believe they may have been shredded. That is my personal opinion from the anecdotal evidence we have received.'¹⁷

5.27 Ms Berg also noted that a large amount of records including photographs are still in the hands of GMB, the successor firm to MGT. Ms Berg suggested that there needs to be a process to ensure that the documents still in existence are appropriately archived and accessible.

5.28 Following the hearing, the NAA undertook an internal review focussed on all records created and transferred to the NAA by MGT and all relevant records relating to the design competition and subsequent construction of new Parliament House transferred to the Archives by DPS and JHD.

5.29 The NAA's review located two original concept drawings of Parliament House by Mr Giurgola. No other records noted by Ms Berg in her evidence to the committee were located. The NAA also indicated that the Department of Finance and Deregulation has undertaken action to establish the location of records noted by Ms Berg. The Department of Finance and Deregulation advised the NAA that it had not located those records.¹⁸

Committee comments

5.30 The committee has noted the efforts of the National Archives of Australia to locate the missing records. The committee wishes to record its grave disappointment that these significant and irreplaceable records are missing and are very unlikely to be recovered.

Senator Helen Polley
Chair

17 Ms Pamille Berg, *Committee Hansard*, 16 November 2011, p. 15.

18 National Archives of Australia, *Letter to the committee*, dated 20 June 2012.

APPENDIX 1

Submissions and additional information received by the committee

Submissions

- 1 Mr Harold Guida
- 2 MS Australia
- 3 Department of Parliamentary Services
- 4 International Union of Architects (UIA)
- 5 National Trust of Australia
- 6 Joint Standing Committee on the Parliamentary Library
- 7 Mr Romaldo Giurgola
- 8 Mr Paul Cohen
- 9 Mr Peter Hicks
- 10 Mr Steve O'Neill
- 11 Mr Andrew Podger
- 12 Mr Michael Bolton
- 13 Ms M. Pamille Berg
- 14 Australian Institute of Architects
- 15 Australian Parliamentary Service Commissioner
- 16 Community and Public Sector Union (CPSU)
- 17 Australian Heritage Council
- 18 Mr Chris Bettle
- 19 Ms Anne Ferguson
- 20 Ms Rosemarie Willett
- 21 Mr Franco Colussi
- 22 Walter Burley Griffin Society Inc.
- 23 Mr John Smith

Additional information

- 1 Correspondence from the President of the Senate and the Speaker of the House of Representatives, received 14 September 2011
- 2 Department of Parliamentary Services, *Response to Questions on Notice* Additional information, received on 11 October 2011
- 3 Department of Parliamentary Services, *Valuation of Billiard Tables Located in Parliament House, Final Report*, September 2011 and Minute, Items with possible heritage value, provided 20 September 2011
- 4 Department of Parliamentary Services, *Parliament House Heritage Management Framework*, provided 15 December 2011
- 5 Community and Public Sector Union, *DPS staff survey 2011: results*, tabled 2 May 2012
- 6 DPS People Management Paper No. 1.1 - Procedures For Investigating and Determining Breaches of the Code of Conduct
- 7 Department of Parliamentary Services, Email correspondence re: Comcare audit, tabled 2 May 2012
- 8 Mr Russell Grove, Acting Secretary, Department of Parliamentary Service, *Letter to clarify evidence provided to the Committee at the hearing of 2 May 2012*, dated 16 May 2012

Answers to Questions on Notice

- 1 Department of Parliamentary Services, *Response to Questions on Notice concerning staffing matters*, dated 19 January 2012
- 2 Department of Parliamentary Services, *Response to Questions on Notice taken at hearing of 2 May 2012*, dated 15 May 2012
- 3 Department of Parliamentary Services, *Estimates briefs*, received 15 May 2012
- 4 Department of Parliamentary Services, *Response to Questions on Notice concerning heritage and other matters*, dated 26 April 2012

APPENDIX 2

Public hearings

*Wednesday, 16 November 2011
Members' Dining Room 3
Old Parliament House, Canberra*

Witnesses

Mr Romaldo Giurgola

Ms Pamille Berg

Mr Hal Guida

*Wednesday, 2 May 2012
Committee Room 2S1
Parliament House, Canberra*

Witnesses

National Trust of Australia (ACT)

Mr Eric Martin, President

Walter Burley Griffin Society

Professor James Weirick, President

Community and Public Sector Union

Mr Alistair Waters, Deputy National President

Mr Leo Vukosa, CPSU Delegate, Department of Parliamentary Services

Department of Parliamentary Services

Mr Russell Grove, Acting Secretary

Mr David Kenny, Deputy Secretary

Dr Dianne Heriot, Acting Parliamentary Librarian

Mr Tristan Hoffmeister, Assistant Director, Heritage and Strategy, Strategy and Communications Section

Ms Karen Sheppard, Assistant Secretary, Corporate Services Branch

Ms Judy Tahapehi, Director, Strategy and Communications Section

APPENDIX 3

Extract from

*Register of all furniture installed in the new Parliament
House*

APPENDIX 4

Department of Parliamentary Services response to billiard table audits¹

1 Additional Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 60.

2 DPS commissioned the first of these—the initial internal audit by PwC, *Disposal of Equipment from the Former Staff Recreation Room*—following the May 2011 Budget Estimates hearing, directly as a result of questions raised by Senator Faulkner at the hearing. DPS received the final report in July 2011. The other two reports—a comprehensive *Review of asset disposal policies and practices*, conducted by an external consultant, Mr Rob Tonkin (the **Tonkin Review**) and an internal audit report to value billiard tables remaining and sold (*Valuation of Billiard Tables*)—were part of the response to the initial internal audit.

Disposal of Equipment from the Former Staff Recreation Room

#	Recommendation	DPS Response
1	<p>DPS should consider undertaking valuations on the remaining billiard tables to gain an understanding of their origin, age and value.</p> <p>DPS should introduce a policy which formalises the Department's stance on whether to advertise that items are from Parliament House.</p> <p>The assets disposal policy should be updated to require valuations of unusual sale items prior to them being disposed.</p>	<p>Agreed. See audit report <i>Valuation of Billiard Table</i>.</p> <p>Status: Complete</p> <p>Agreed. DPS engaged an external consultant to conduct a comprehensive review of asset disposal practices (Tonkin Review).</p> <p>Status: Complete</p>
2	<p>Additional guidance on the definition and management of Heritage assets is required</p> <p>DPS should define cultural and heritage value and include this definition in the heritage framework that is currently being developed.</p> <p>A definition of assets which may not meet the definition of cultural or heritage but could nevertheless be considered significant by sections of the community and a policy which guides their management, including disposal practices should also be developed.</p> <p>Until the above framework has been developed and approved the Department may wish to specifically assess the heritage/cultural value of any items to be disposed of and specifically value all items for disposal, until this framework has been finalised.</p>	<p>Agreed. DPS included these factors in finalising the Parliament House Heritage Management Framework, which was approved by the Presiding Officers on 23 Nov 2011.</p> <p>Status: Complete</p>
3	<p>Updates to DPS Disposal Policy are required. DPS should update the current disposal policies and procedures to include the detail improvement recommendations.</p>	<p>Agreed: DPS included this recommendation in the parameters for the Tonkin Review. DPS has:</p> <p>(a) updated the Chief Executive's Procedure (CEP) on asset disposal to clearly identify the disposal officer's role and obligations; and</p> <p>(b) updated the Disposal Form to include an area to document reasons for the disposal, choice of disposal method and any assessments made on the proposed disposal method.</p> <p>Work is underway (but not yet complete) on the development of a guide to staff on disposal. This guide</p>

#	Recommendation	DPS Response
		<p>will be used in conjunction with the CEP and will provide detailed instructions and procedures on asset disposals in DPS</p> <p>Finally, DPS has reviewed the process for the selection of disposal agents and whether any additional contractual requirements were necessary. Improved contractual arrangements were identified and are about to be entered into.</p> <p>Status: partially complete—expected completion June 2012</p>
4	<p>Non compliance with the asset disposal policy has been noted. DPS should ensure that staff are aware of the requirements of CEP 4.3—<i>Disposal of public property</i> when undertaking disposals. To do so DPS should consider providing disposal training to staff who may be required to undertake a disposal. DPS should update the disposal form to include the detail improvement recommendations.</p>	<p>Agreed. Using the findings of the Tonkin review, DPS strengthened the provisions in CEP 4.3 in relation to items which might have cultural or heritage values, and strengthened the disposal form.</p> <p>Status: Complete</p>

3 The Tonkin review of DPS asset disposal practices was initiated by DPS in response to recommendations made in the initial audit into the Disposal of Equipment from the Former Staff Recreation Room. DPS responses to the review's recommendations are as follows:

Review of asset disposal policies and practices

Recommendation	Status
R1 The development, adoption and promulgation of a definition of heritage, cultural and artistic significance.	<p>The <i>Parliament House Heritage Management Framework</i> (approved in November 2011) includes the definition of heritage, cultural and artistic significance. This framework is available on the DPS staff portal and will form part of the training program being developed, reference R10.</p> <p>Status: Complete</p>
R2 An update of internal documentation to clarify the legislative authority on which DPS instructions and procedures are based.	<p>Governance Paper No.1 was updated on 15 November 2011 (now GP 2.1—<i>DPS Document Series</i>). Financial Paper No.1 is in the process of being updated.</p> <p>Status: Partially complete—expected completion April 2012</p>
R3 Amend the asset recognition criteria.	<p>DPS will be using its current financial management information system (FMIS) SAP to include all items with cultural or heritage significance. Configuration of the FMIS is underway.</p> <p>Status: Partially complete—expected completion June 2012</p>

Recommendation	Status
R4 The establishment of a consistent heritage assessment process to determine which additional items should be identified, recorded and managed as being items of heritage or cultural significance.	This process is outlined in the recently updated Chief Executive's Procedure (CEP) 4.3— <i>Disposal of Public Property</i> , para 10 (b). Status: Complete
R5 Consideration of the establishment of a common policy and set of procedures and databases for the management of assets for Parliament House (ie across all parliamentary departments).	Discussions with Chamber departments yet to occur. Status: Not yet commenced—expected completion June 2012
R6 The extension of the Art Services database to include all items of cultural or heritage significance.	Refer to status of R3 Status: Partially complete—expected completion June 2012
R7 & R8 An update of relevant procedures and forms relating to the disposal of items.	Amendments to the disposal form and CEP 4.3 were completed and approved on 31 October 2011 Status: Complete
R9 Disclosure of provenance on disposal of items.	This has been implemented and forms part of the policy outlined in CEP 4.3. Status: Complete
R10 Additional training and awareness programs.	A new training program is currently being developed. Status: In progress—expected completion June 2012

4 Also, in response to the recommendations made in the initial audit into the *Disposal of Equipment from the Former Staff Recreation Room*, DPS engaged PwC to value the sold and remaining billiard tables. PwC provided the results in its report, *Valuation of Billiard Tables*.

5 The report made no recommendations; but confirmed that the two sold tables were built in the 1987–88 period and the current market value for each table is between \$1,500 and \$3,000, excluding any provenance value connected to Parliament House.