

## About DPS

### Legislation

1 The *Parliamentary Service Act 1999* (**the Act**) provides the governance framework for the Parliamentary Departments, including the employment of staff within each Department.

2 The Act has many similarities to the *Public Service Act 1999*, but there are also important differences. Notably, the accountability of Parliamentary Service Departments and their staff is to the Parliament via the Presiding Officers, not to Executive Government.

3 The last major amendments to the Parliamentary Service Act occurred in 2005, after consideration by the Parliament and the Government of the day of the so-called Podger Review, which is discussed further below.

### Departmental History

4 For many years, the Australian Parliament was serviced by five Parliamentary Departments:

- Department of the Senate
- Department of the House of Representatives
- Parliamentary Library
- Department of the Parliamentary Reporting Staff (DPRS)
- Joint House Department (JHD)

5 In early 2002, the Presiding officers requested the then Parliamentary Service Commissioner, Mr Andrew Podger, to undertake a review of the Parliamentary Departments. This review was apparently initiated in part because of heightened concerns about physical security, and in part to trim and contain operational costs.

6 The review was completed in September 2002. In summary, it recommended a realignment of the Parliamentary Service into three departments:

- Two chamber departments; and
- A single "joint" or amalgamated services department.

7 The review also recommended:

- creation of the position of Parliamentary Librarian at a senior level within the joint department;
- independence in respect of the Library function;
- extension of the oversight role of the Joint Library Committee;

- assurance that the Library receives adequate resources;
- a centralised security organisation, to be located within the joint department; this would include transfer of some staff from the two chamber departments; and
- oversight of Parliament House security to be provided through a Board (which ultimately became the Security Management Board).

8 Both Houses of Parliament accepted the broad thrust of the Podger review. Resolutions in both Houses in August 2003 established the Department of Parliamentary Services as the new joint department, with effect from 1 February 2004. The necessary amendments to the Act to create the position of Parliamentary Librarian were enacted in 2005.

### **Scope of services**

9 Although the internal organisational structure of DPS has changed over time, DPS has continued to deliver seven main lines of day-by-day service for the Parliament:

- 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 operation and maintenance, heating, cooling, catering, cleaning, landscape maintenance and events management)
- Visitor services
- Support services (including project/capital works management, as well as finance, HR, procurement, etc).

10 While much of the day-by-day service delivery is predictable, there is also much that is less predictable, requiring DPS officers to be very adaptable; examples include various security incidents in and around the building, short notice requests for information from the Library, responses to people who become ill, and providing services for major “happenings” in the building, such as the Carbon Price announcement and short notice press conferences. DPS officers take pride in providing predictable services and those that are less predictable.

11 A significant addition to the ICT responsibilities of DPS is now occurring, with the transfer of Electorate Office IT services from the Department of Finance and Deregulation to DPS. This transfer is now partially implemented, and is expected to be complete by August/September 2011.

12 A further important role for DPS is that under the guidance of the Presiding Officers, DPS is charged with stewardship of much of the infrastructure of Parliament House. The current value of Parliament House and its contents is some \$2.3 billion. This **asset management** role supports the work of the Parliament, including parliamentarians, the Chamber Departments, and DPS in delivering its day-by-day services.

13 A subset of the asset management role is that DPS manages a significant annual capital works program for Parliament House to replace ageing systems, improve services, improve security, and meet new building standards. This program is discussed below.

### **Capital Works Program**

14 While the basic structure of Parliament House will have a life of at least 200 years, many of the internal systems to support the work of the Parliament have a much shorter life cycle between renewals. For example:

- IT systems have a maximum life of 10 years; many IT applications have an even shorter life, and IT desktop equipment has a life of around 4 years;
- broadcast cameras, CCTV cameras and associated control systems have a life of around 10 years;
- much of the electrical system, heating, cooling and ventilation equipment, as well as office furniture, has a life of around 20 to 25 years.

15 Moreover, there is a need to make new investment to respond to changing external circumstances, including:

- changes in risk for physical security and information security;
- rapid changes and improvements to information technology;
- desire by the government or community to have new services or capacity within Parliament House (for example, the new high tech Parliament House Briefing Room, and the new childcare facility); and
- changes in community expectations and standards for issues such as environmental performance, and access for the disabled.

16 DPS receives two categories of capital works funding via the budget process. In brief, **Departmental capital** funding is used to provide for ICT improvements, broadcast and closed circuit TV cameras, and audio systems, while **Administered** funding is used to provide for building related improvements, including most physical security works, and the art collection.

17 Over recent years, DPS has been able to address a significant backlog of required improvements, and to undertake important security work, with investments of around \$60 million in each of 2009-10 and 2010-11. In addition, commencing in early 2010, DPS acted as the project manager for much of the

new Parliament House Briefing Room, which was funded through the Attorney-General's Department.

18 DPS expects that the capital program for 2011-12 will also be around \$60 million. This program will allow us to complete further important security works, complete a significant upgrade of the IT network, greatly improve our recording and recall system for the broadcast records of Chamber proceedings and Committee proceedings, and replace ageing cooling systems for the building. We will also commence upgrades to internal lighting systems, upgrade the art storage, and progressively replace ageing kitchens.

19 Although the level of capital renewal and improvements will fluctuate from year to year, we expect that the required long-term level of investment will need to be in the range of \$40 to \$60 million pa. For example, in the next two to three years it is clear that a range of work is required to address access difficulties for people with disabilities, and there are some health and safety issues in and around Members' Hall.

### **DPS staffing and organisational arrangements**

20 Recognising the sitting cycle of the Parliamentary Chambers and Committees, DPS provides services to the parliament through a combination of:

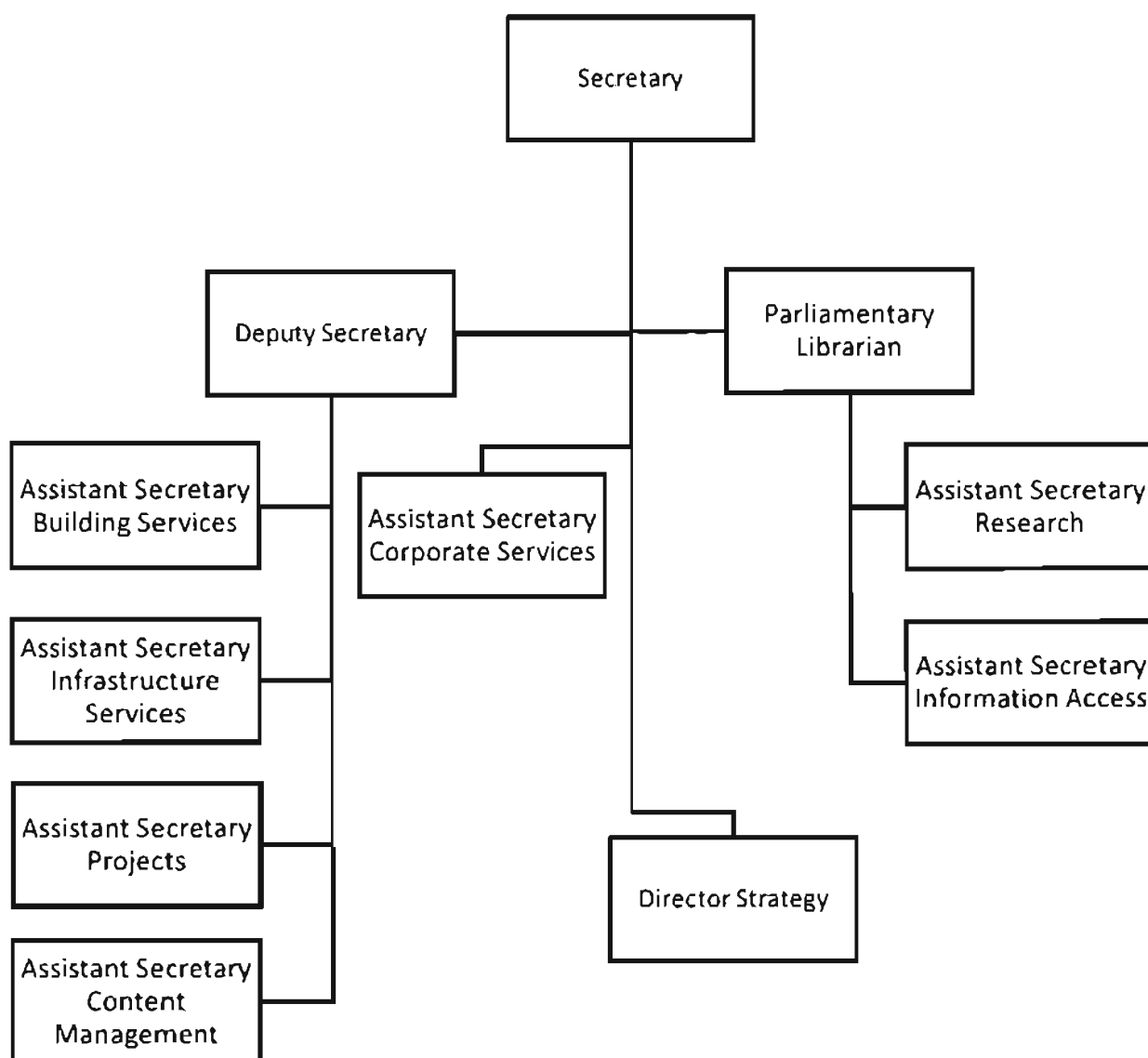
- in-house, full time ongoing Parliamentary Service employees;
- sessional and part time Parliamentary Service employees;
- contractors for specialised services (notably, catering, cleaning, lift maintenance and some IT systems); and
- design consultants and external contractors to deliver the capital works program (under the control of DPS project managers).

21 In a busy sitting period, the number of DPS staff working in the building will be around 840 (on a head count basis). In a non-sitting period, the number of DPS staff will be around 730.

22 There is a high level of pride and commitment amongst DPS staff about their respective roles in serving the Australian Parliament.

23 The current internal organisation structure of DPS is at **Fig 1** below.

**Fig.1 : DPS organisation structure**



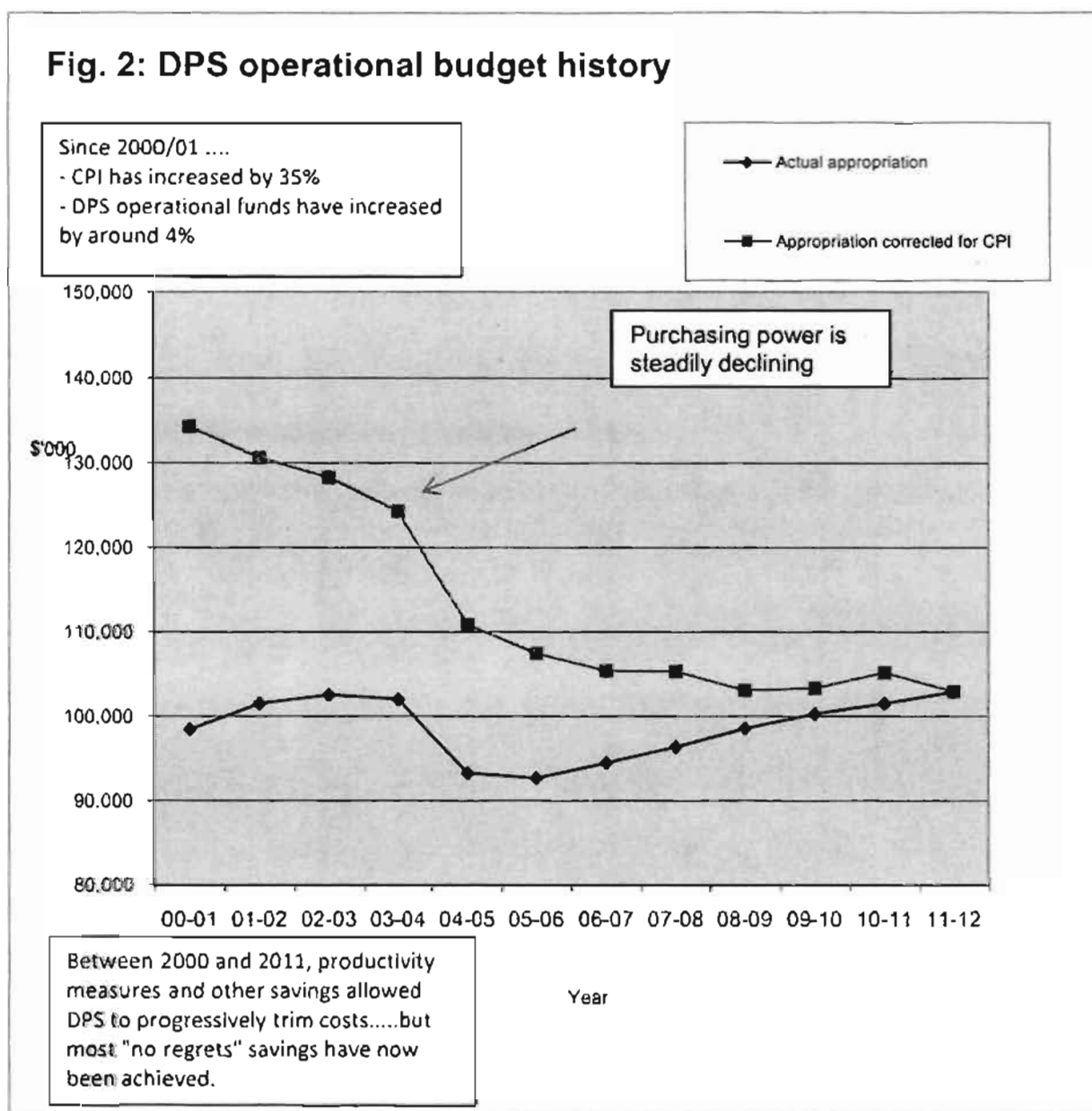
### **DPS Budget Challenges**

24 DPS has two significant budget challenges, namely:

- the steady decline in purchasing power of the operational budget over the last decade; and
- the fluctuations in work load and cost, as a result of changes in parliamentary activity.

These issues are discussed below.

25 **Declining purchasing power** — Setting aside the new Electorate Office IT role, in 2000-01, the predecessor agencies had combined operating revenues from Government of some \$98.5 million pa. Over the next 11 years, this figure increased by around 4% to \$102.9 million pa (for 2011-12), as illustrated in Fig 2 below.



**Table 1. DPS (and predecessor departments) operational appropriation by year**

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

\* In order to provide comparable funding information for the financial years listed, some adjustments have been made. The adjusted appropriation figures are the operational appropriation including new policy proposal funding for each financial year. The combined appropriations for the three predecessor departments of DPS are used for the 2000-01 to 2003-04 figures, adjusted for depreciation funding. The 2010-11 figure excludes the one-off pre-election policy funding to the Parliamentary Library. The 2004-05 to 2009-10 figures are the operational appropriation less depreciation funding for each financial year.

26 However, given that CPI increased by more than 35% over this 11 year period, and our revenues increased by around 4%, there has been a significant decline in the purchasing power of the DPS budget.

27 The figures for the period from 2003-04 (when DPS commenced operations) through to 2011-12 tell a similar story. Over this eight year period, the operating budget increased by less than 1%, even though CPI increased by around 25%.

28 The decline in purchasing power has been the result of government decisions, over the last decade, about levels of appropriation funding, including to impose various forms of efficiency dividends.

29 DPS has responded to this situation by identifying a range of efficiency/economy measures through Continuous Improvement Reviews (CIR).

30 Efficiency/economy measures that have been implemented include:

- rationalisation of corporate services (especially as the three predecessor departments were amalgamated); more recently, we have also 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 business areas, such as security;
- reduction of the area of the building to be painted each year by 40%, with painting being targeted towards areas of identified need;
- support of “away” Parliamentary Committees by a single officer, rather than the previous practice of sending two officers (one representing Hansard, and one representing broadcasting);
- adoption of new technology to assist with service delivery; for example, an increasing proportion of the work of the Library is via electronic service delivery;
- transfer of staff and storage to Parliament House from offsite locations where DPS had been paying rent.

31 Wherever possible, DPS has sought to minimise the effect on Parliamentarians (of this declining purchasing power). However, some measures have had an effect; for example, in early 2010 DPS was obliged to cease providing potted plants for the office suites of Parliamentarians.

32 Given that staffing costs are over 60% of the annual operating budget, a significant consequence of the decline in purchasing power is that the overall staffing levels within DPS has been steadily declining, as summarised in **Table 1** below. In brief, just after the amalgamation in 2004, DPS had some 895 staff on a full time equivalent (FTE) basis, but by the end of June 2011, this number had declined to around 730 FTE.

33 The decline in numbers has affected staff at all levels, including the number of SES officers. DPS management respects the commitment of staff in making the required changes.

**Table 2. Average annual FTE, DPS**

Year	Average FTE
June 2004	895
June 2005	846
June 2006	767
June 2007	757
June 2008	783
June 2009	811
June 2010	757
June 2011	721



34 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. These are some of the reasons we suggest changes to the funding model for DPS (as outlined below).

35 **Fluctuating Parliamentary workload**—Many of the costs of DPS are affected by changes in the level of Chamber business and Committee business. Notably, sitting periods require more security services, and incur more costs for Hansard and broadcasting services.

36 Overall, we estimate that the difference in costs between a busy sitting year (such as 2008-09, or 2011-12) and a year with a lower level of sitting activity (such as 2007-09 or 2010-11) is some \$4 to \$6 million.

37 **A changed funding model**—Given the situation outlined above, in late 2008 DPS developed a modified funding model for consideration by the Joint Committee on Public Accounts and Audit, and by Government. This model would have two components:

- (a) a base payment component, assuming a “quiet” sitting year; and
- (b) extra payments which would be proportionate to increasing levels of Chamber and Committee activity.

38 The base payment component would include all of the costs of maintaining the assets of Parliament House, as well as day-by-day operating costs for a quiet year.

39 The Presiding Officers supported submissions from DPS for funding on this basis as part of the 2009-10 and 2010-11 budget process. Although we were unsuccessful with these bids, we continue to believe that this is a rational approach to the funding of a Parliamentary Service Department.

40 This approach would provide a more satisfactory basis for 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.

### **Parliamentary Oversight**

41 DPS is accountable to the Presiding Officers and regularly seeks guidance and direction from the Presiding Officers about a wide range of issues.

42 Apart from regular attendance at meetings of the Senate Finance and Public Administration Committee Estimates hearings, DPS officers also regularly meet with the Joint House Committee, the Presiding Officers Information Technology Advisory Group, and the House of Representatives Committee on Appropriations and Administration.

43 The Parliamentary Librarian and her senior staff also meet regularly with the Joint Standing Committee on the Parliamentary Library.

### **Coordination mechanisms with other agencies**

44 DPS works closely with the Chamber Departments to deliver day-by-day services to ensure security, and to develop longer term improvements.

45 Key coordination forums include:

- **Security Management Board (SMB)**.....this Board comprises the Secretary of DPS, the Usher of the Black Rod and the Serjeant-at-Arms. The function of the Board is to provide advice to the Presiding Officers on security policy and security measures for Parliament House. Representatives of the Australian Federal Police, the Attorney-General's Department and the Department of Finance and Deregulation also attend the meetings.
- **Senior Management Coordination Group (SMCG)**.....this Group comprises the Usher of the Black Rod, the Serjeant-at-Arms and Deputy Secretary of DPS. The terms of reference of the SMCG include coordinating corporate matters of common concern to the parliamentary departments, and identifying and seeking to reduce the duplication of corporate functions.
- **Project Boards**..... each capital works project is overseen by a Project Board which includes a representative of the chamber departments where those departments are a major stakeholder of the project. A Project Board represents the business, user and supplier interests of the project. It is the decision maker and provides overall direction and management, including the development and approval of key project documents, review of the project business case, and ensuring appropriate risk management processes.
- **Project Assessment Committee (PAC)**.....this Committee comprises the Deputy Secretary of DPS, the Usher of the Black Rod and the Serjeant-at-Arms. The PAC 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.

### **Customer satisfaction**

46 **General surveys** -- Customer satisfaction surveys are generally included in the mid-term year of each Parliament for all DPS services. The last survey was undertaken in 2009, and had some 765 respondents. Some 38% of the respondents were Parliamentarians or their staff. Another 18% were from the Chamber Departments. The remainder were staff within DPS. Results were generally favourable, especially when compared with the 2007 survey.

47 Nevertheless this survey identified concerns about catering, cleaning, functions, environmental advice and project management. DPS has taken action to respond to these concerns but we acknowledge that rapid developments in IT, coupled with the need to maximise IT services, is proving to be very challenging.

48 **Library surveys** The Library undertakes a client assessment once each parliament. Client satisfaction with the library's services has increased from 85% in 2003 to 89% in 2007 and 93% in 2009. The client assessments and the recent strategic review are considered by the Joint Standing Committee on the Parliamentary Library. This year the Committee has expressed concern 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 collection material, in particular radio and television programs.