



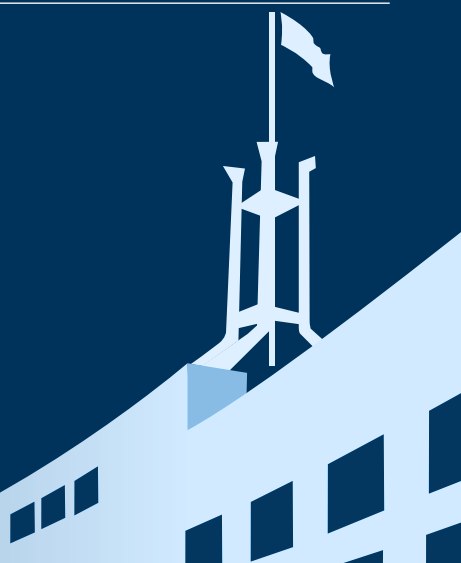
# GOVERNANCE

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Introduction	164
Our governance structure	164
External scrutiny	175
Our people	176
Asset management	186
Purchasing	186
Consultants	187
Australian National Audit Office access clauses	188
Exempt contracts	188
Procurement initiatives to support small business	188

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## INTRODUCTION

The Department of Parliament Services (DPS) is established under the *Parliamentary Service Act 1999* (PS Act) and is part of the Parliamentary Service. The Act states that the 'Parliamentary Service serves the Parliament by providing professional support, advice and facilities to each House of the Parliament, to parliamentary committees and to senators and members of the House of Representatives, independently of the Executive Government of the Commonwealth'.

The Secretary is the principal adviser to the Presiding Officers on matters relating to DPS and, as its leader, provides stewardship in the department and, in partnership with other department heads, across the Parliamentary Service.

The Presiding Officers act jointly in exercising their responsibilities in relation to DPS under the PS Act. The Presiding Officers also have responsibilities under the *Parliamentary Precincts Act 1988*.

## OUR GOVERNANCE STRUCTURE

The Secretary, as the accountable authority under *the Public Governance, Performance and Accountability ACT 2013* (PGPA Act) has a duty to manage DPS in a way that promotes the:

- proper use and management of public resources for which DPS is responsible
- achievement of the purposes of the entity, and
- financial sustainability of the entity.

The Secretary delegates some powers to certain staff. These are outlined in DPS' financial and human resource delegations. In addition, the Secretary has established an organisational structure that clearly defines accountabilities and the areas of responsibility assigned to senior DPS staff.

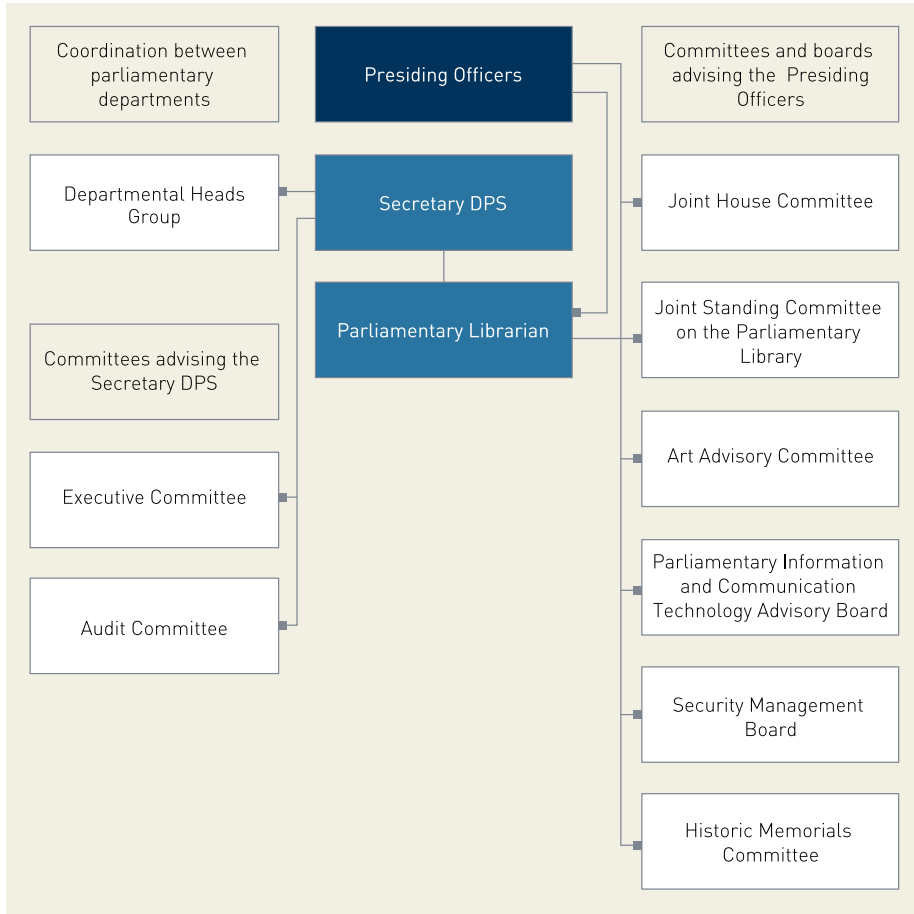
The Parliamentary Library's services are established under the statutory office of the Parliamentary Librarian whose primary function is 'to provide high quality information, analysis and advice to senators and members of the House of Representatives in support of their parliamentary and representational roles'.<sup>52</sup> The Secretary of DPS provides resources to the Parliamentary Librarian in accordance with an annual agreement. The Parliamentary Librarian reports directly to the Presiding Officers and to the Parliament. She also reports to the Joint Standing Committee on the Parliamentary Library (JSCPL).

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52 Parliamentary Service Act 1999, subsection 38B(1)

Our governance structure for the reporting period is set out in Figure 15. It contains two streams, committees and boards advising the Presiding Officers and committees advising the Secretary. These are discussed in more detail below.

**FIGURE 15: DPS Governance Structure**



## Committees advising the Presiding Officers

The information below shows committee membership at 30 June 2017 and activity for the year.

### Joint House Committee

The Joint House Committee comprised members of the House Committees of the Senate and the House of Representatives. Its role was to consider matters which affect joint services.

Chair: Senator the Hon Stephen Parry (The President of the Senate) and The Hon Tony Smith MP (The Speaker of the House of Representatives)

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Members:

- Senator Carol Brown
- Senator David Bushby
- Senator the Hon Jacinta Collins
- Senator David Fawcett
- Mr Chris Hayes MP
- Senator Sue Lines
- Ms Nola Marino MP
- Mr Graham Perrett MP
- Mr Rowan Ramsey MP
- Ms Joanne Ryan MP
- Senator Anne Urquhart
- Mr Bert van Manen MP

As senior Presiding Officer at 30 June 2017 the President of the Senate was chair.

The committee met two times in 2016–17.

### **Joint Standing Committee on the Parliamentary Library (JSCPL)**

Details on the JSCPL can be found at pages 105–107.

### **Art Advisory Committee**

The Art Advisory Committee assists the Presiding Officers in determining the suitability of art works for addition to the Rotational Collection within the Parliament House Art Collection.

Chair: Senator the Hon Stephen Parry (The President of the Senate) and The Hon Tony Smith MP (The Speaker of the House of Representatives)

Members: Deputy President, Deputy Speaker, Secretary DPS and an independent adviser from the National Gallery of Australia.

The committee's terms of reference are to:

- provide guidance on the Rotational Collection Acquisition Policy, and set short-term priorities for acquisitions
- assess acquisition proposals in accordance with the acquisition policy and collecting priorities, and
- provide advice on other matters relating to the display and management of artworks in the collection, as considered necessary by the Presiding Officers.

Matters considered included:

- the purchase of 57 works of art including four artworks to commemorate the Centenary of ANZAC
- the consideration of a number of gifts offered to the collection, and
- the development of a new policy framework for the management of the collection.

The committee met twice during 2016–17, in October 2016 and March 2017.

### **Parliamentary Information and Communication Technology Advisory Board (PICTAB)**

PICTAB is an advisory body established in 2012. Its role is to provide guidance in the development and delivery of the Parliament of Australia ICT Strategic Plan, strategic objectives and outcomes. Following the commencement of the 45th Parliament, the Presiding Officers approved an increase to the number of parliamentarian members of PICTAB in 2017 from three to nine.

Chair: Secretary DPS

The membership of PICTAB is comprised of:

- three representatives each from the Government, Opposition and Crossbench
- one representative each from the Department of the Senate, the Department of the House of Representatives, the Parliamentary Budget Office and the Parliamentary Service Commissioner; and
- in addition, four non-member representatives from the DPS Information Services Division.

The board met twice in 2016–17. Matters considered included:

- the key needs of parliamentarians
- the video conferencing solution for committees and its suitability for use in electorate offices
- using secure cloud computing to deliver electorate office ICT for parliamentarians
- feedback on the ParlWork application
- network security enhancements, and
- sound reinforcement and audio delivery in the parliamentary chambers.

### **Security Management Board (SMB)**

The SMB was formally established in 2005 under Section 65A of the PS Act. The function of the SMB is to provide specialist security advice and support to the Presiding Officers on security policy and the management of security measures for Parliament House.

Chair: Secretary DPS

Members: Usher of the Black Rod, Serjeant-at-Arms, and Deputy Commissioner Australian Federal Police.

Invited attendees: Department of the Prime Minister & Cabinet (PM&C), Department of Finance (DoF), Attorney-General's Department (AGD).

The board met six times in 2016–17.

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## **Historic Memorials Committee (HMC)**

The HMC was established by Prime Minister Andrew Fisher in 1911. The function of the committee is to commission official portraits of the Head of State, Governors-General, Prime Ministers, Presidents of the Senate and Speakers of the House of Representatives. From time to time the committee may also elect to commission portraits of other significant parliamentarians who represent a milestone in the history of the Parliament. On occasion the committee may also commission paintings of significant events in the history of the Australian Parliament.

Chair: Prime Minister

Members: the Leader of the Opposition, the Vice-President of the Executive Council, the Leader of the Opposition in the Senate, the President of the Senate and the Speaker of the House of Representatives.

The Secretary DPS is secretary to the committee and the DPS Art Collection & Exhibitions section provides secretariat services to the committee and manages the portrait commissioning process.

In 2016–2017 the HMC conducted all relevant business via correspondence.

## **Committees advising the Secretary**

Under the PS Act and the PGPA Act, the Secretary is accountable for DPS' performance and compliance. The Secretary is assisted in the management of these responsibilities by the Executive Committee and the Audit Committee.

### **Executive Committee**

The Executive Committee considers the development and implementation of the DPS governance framework and associated strategies, including financial planning and budgeting, performance, risk management, business planning and organisation issues and other matters relating to the management of the department.

The Executive Committee is chaired by the Secretary and its members are the Parliamentary Librarian, division heads and Chief Finance Officer. The committee meets fortnightly.

### **Audit Committee**

The DPS Audit Committee provides independent advice and assurance to the Secretary on DPS' financial and performance reporting responsibilities, system of risk oversight, and systems of internal control and compliance.

The Audit Committee comprises five members, three independent members and two management appointed DPS officials. In 2016–17, the committee members were Mr Michael Harris (independent chair), Ms Jenny Morison (independent deputy chair), Mr Richard Windeyer (independent member), Mr Paul Cooper (DPS official) and Mr Jonathan Curtis (DPS official).

Representatives of the Australian National Audit Office (ANAO) and DPS' contracted internal auditors, KPMG, attend DPS Audit Committee meetings to provide information and advice to committee members. Information and advice is also regularly provided by invited DPS officials, including the Chief Operating Officer (COO), the Chief Information Officer (CIO) and Chief Finance Officer (CFO).

In 2016–17, the committee met five times including a meeting to consider the department's financial and performance statements. Table 33 shows the members' attendance for 2016–17.

**TABLE 33: Audit Committee attendance**

Member	Meeting attendance
Mr Michael Harris—Chair	5/5
Ms Jenny Morison—Deputy Chair	4/5
Mr Richard Windeyer—Independent Member	4/5
Mr Paul Cooper—DPS Official	5/5
Mr Jonathan Curtis—DPS Official	4/5

The Secretary is also assisted in his management of the department by the following committees:

#### **DPS Work Health and Safety (WHS) Committee**

The WHS Committee operates in accordance with the *Work Health and Safety Act 2011* (WHS Act), to advise the Secretary on WHS policy matters concerning our employees and other parties, and to assist in the development and review of related policies and practices.

It is chaired by an Assistant Secretary and its membership is made up of one management representative from the Parliamentary Library, one from each of the other branches and one Health and Safety Representative (HSR) from each branch, with the exception of Building Services Branch where there is provision for two HSRs. The committee meets once each quarter.

#### **DPS Consultative Forum**

The role of the DPS Consultative Forum is to provide a forum for consultation and discussion between management, staff and unions representing staff. The forum is chaired by the Chief Operating Officer and its membership consists of management representatives, union representatives and staff representatives as provided for in the enterprise agreement. The forum met four times in 2016–17.



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## **Our internal audit arrangements**

Primary responsibility for departmental internal audit functions rests with the Head of Internal Audit (HIA), the Assistant Secretary, People and Governance Branch. The HIA manages the provision of independent assurance to the Secretary and Executive Committee, through the Audit Committee, that internal controls designed to manage significant operational or financial risks and achieve the department's objectives are operating in an efficient, effective and ethical manner. The HIA also implements the annual internal audit program endorsed by the Audit Committee and approved by the Secretary. The focus of the annual internal audit program is to assist the department in managing operational or financial risks and to provide assurance as to whether key projects, systems and governance structures are operating as intended. The implementation of recommendations from the internal audit program are regularly reported to the Executive Committee and the Audit Committee. The internal audit work plan is reviewed for relevance and applicability by the Audit Committee at the mid-year point, and any subsequent amendments are recommended to the Secretary for approval. The HIA also manages liaison with the ANAO as the external auditor.

Under its outsourced service delivery model, DPS has engaged KPMG to provide internal audit services. During 2016–17, the internal audit program was delivered in line with the annual internal audit plan.

## **Our planning and reporting framework**

DPS continues to strengthen its internal planning, processes and controls to support broader corporate planning requirements. The 2016–17 Corporate Plan is based on the commitments DPS made in the Portfolio Budget Statement (PBS) for 2016–17, including Key Performance Indicators (KPIs), measures and targets. In accordance with the PGPA Act, DPS has developed a 2017–18 Corporate Plan which outlines our purpose and provides clear direction on how DPS intends to achieve that purpose.

The corporate plan sets out DPS' strategic themes, objectives and strategies which we use to guide our decision making and our activities over the next four years. DPS aligned the 2016–17 Corporate Plan with the 2016–17 PBS through DPS' outcome statement, objectives and deliverables. The corporate plan is underpinned by branch business plans, outlining how each branch will contribute to the achievement of DPS' purpose. These key documents can then be linked to individual work plans which clearly articulate expectations of managers in contributing to the achievement of our purpose in the corporate plan.

FIGURE 16: DPS Planning Framework



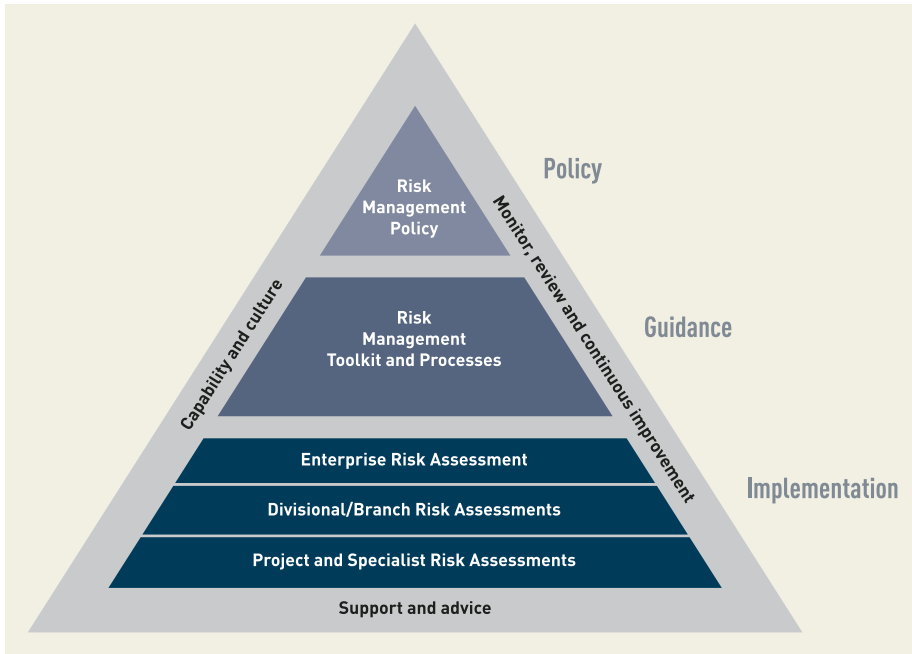
## How to manage risks

It is important that DPS has a strong risk management framework. We are committed to an environment where all employees understand, and are able to successfully manage risk. As DPS is faced with a constantly changing and challenging environment, it is vital that staff continue to identify and engage with risk.

Collectively, the set of policies, processes and structures through which DPS manages risk is called the *DPS Risk Management Framework* (see Figure 17). It enables DPS to demonstrate that a systematic and comprehensive process is in place to ensure that DPS manages risks effectively. The DPS Risk Management Policy and DPS Risk Management Toolkit continue to be promoted throughout DPS.

The People and Governance Branch supports staff in managing risks across DPS including enterprise, fraud, operational and specialist risks.

**FIGURE 17:** DPS Risk Management Framework



### **Enterprise and fraud risks**

Following a review of enterprise and fraud risks in June 2015, the Enterprise and Fraud Risk Treatment Plans have been managed through an executive reporting process. This process includes the Risk and Business Continuity Management Forum in which members work with treatment owners to provide quarterly updates to the Executive Committee on the progress of enterprise and fraud risk treatments.

In July 2016 DPS implemented a risk management software system, Riskware, to capture, manage, monitor and analyse our enterprise and fraud risks. This system enables DPS to continue to further improve our risk management practises.

In April 2017, DPS commenced the biennial review of our enterprise and fraud risks, which will be completed in 2017–18.

### **Operational risks**

During each branch business planning cycle a risk assessment is integrated into the planning process to ensure that risk management is embedded in business as usual activities and to further build risk management capability within DPS.

### **Risk and Business Continuity Management Forum**

The Risk and Business Continuity Management Forum, established in November 2015, meets on a quarterly basis in alignment with quarterly risk reporting to the Executive Committee. The forum is chaired by a DPS SES officer with members from across the department. The Risk and Business Continuity Management Forum is designed to support the ongoing development of DPS' risk and business continuity management practices.

### **Comcover Risk Management Benchmarking Survey**

DPS participated in the Comcover 2017 Risk Management Benchmarking Survey. This survey measures Commonwealth agencies' risk management capability maturity over the nine elements contained in the Commonwealth Risk Management Policy. DPS achieved an overall maturity rating of 'Advanced', which is above the Commonwealth average of 'Integrated' and is also above the 'Integrated' result achieved by DPS in 2016. This shift to a higher overall risk maturity indicates that DPS has made positive progress in building our risk management capability over the past year.

### **Business Continuity Management**

Throughout 2016–17, DPS progressed the implementation of its Business Continuity Management framework, including:

- facilitating exercises in August 2016 of the Strategic Executive Response Plan and Tactical Executive Response Plan involving the department's senior executive and observers from the other parliamentary departments
- updating the Business Continuity Management Policy and Framework, Strategic Executive Response Plan and Tactical Executive Response Plan to incorporate lessons from the exercises. These documents were then endorsed by the Secretary in November 2016
- developing the Crisis Communications Framework for communicating with staff and stakeholders during a business disruption, and
- continued development of individual business recovery procedures and other associated documents.

In 2017–18, DPS plans to further develop its Business Continuity Management framework through a program of exercises and continuous improvement.

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## How to prevent fraud

DPS is committed to ensuring compliance with section 10 of the PGPA Rule.

The department's established fraud control framework was developed in accordance with the *Commonwealth Fraud Control Framework 2014* and is reviewed every two years.

The Fraud Control Plan 2015–17 provides the framework for detecting, reporting and investigating fraud within the department. The department reviews the fraud risks and treatment plans regularly through the Enterprise Risk Management Plan.

Fraud awareness training is mandatory for all DPS staff and is available on the DPS Learning Management system. As at 30 June 2017, a total of 813 (83 per cent) of DPS staff have completed their training. In 2016–17, 246 DPS staff completed this training.

## Ethical standards and behaviours

DPS is committed to the standards of integrity, good governance and ethical practices set out in the PS Act and the Parliamentary Service Values, Employment Principles and Code of Conduct.

DPS takes all alleged breaches of the Code of Conduct seriously and manages these in accordance with best practice. The majority of complaints received were handled through local management action or preliminary investigation. The department finalised four Code of Conduct investigations during 2016–17 resulting in the determination of two breaches of the Code of Conduct.

## Public Interest Disclosure Act 2013

The Commonwealth's *Public Interest Disclosure Act 2013* (PID Act) promotes integrity and accountability in the Australian public sector by encouraging the disclosure of information about suspected wrongdoing, protecting people who make disclosures and requiring departments and entities to take action.

DPS continues to provide readily accessible information to staff about the PID Act, including links to information provided by the Commonwealth Ombudsman, available via the department's intranet.

In 2016–17 there were five DPS Authorised Officers approved to handle public interest disclosures.

## Statement of significant non-compliance with the finance law

In 2016–17, DPS has not reported any significant issues to the Presiding Officers under paragraph 19(1)(e) of the PGPA that relate to non-compliance with the finance law in relation to DPS.

## EXTERNAL SCRUTINY

DPS' operations are subject to scrutiny from a number of sources, including the ANAO, judicial decisions, decisions of administrative tribunals, and various parliamentary committees. This section reports on inquiries, audits, reviews and legal actions relevant to DPS in 2016–17.

### Reports by the Australian National Audit Office

On 27 September 2016, the ANAO Performance Audit 2016–2017 *No. 19 Managing Contracts at Parliament House* was tabled. The audit objective was to assess the effectiveness of DPS' arrangements for managing contracts and retail licences, including the extent to which the department has implemented recommendations from the previous ANAO audit.

### Parliamentary Committees

#### Senate Finance and Public Administration Legislation Committee

DPS appeared before Senate Finance and Public Administration Legislation Committee Estimates hearings on 17 October 2016, 27 February 2017 and 22 May 2017.

### Judicial decisions, decisions of Administrative Tribunals

During 2016–17, there were no judicial or administrative tribunal decisions relating to DPS.

### Freedom of Information

DPS is not subject to the *Freedom of Information Act 1982* (FOI Act), and therefore does not have an Information Publication Scheme. However, DPS has an administrative 'information access' policy. Under the policy, DPS responds, where it can, to requests for information, in the spirit of the FOI Act.

### Office of the Merit Protection Commissioner

During 2016–17, six applications for review were made to the Office of the Merit Protection Commissioner. As at 30 June 2017, one of these matters remained under consideration.

### Fair Work Ombudsman

During 2016–17, there were no matters referred to the Fair Work Ombudsman for review.

### Fair Work Commission

During 2016–17, there was one matter that was referred to the Fair Work Commission for review and this was settled at conciliation.

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## OUR PEOPLE

### Introduction

In 2016–17, human resources management played a key role in enabling the department to deliver on its corporate plan and business objectives. A major focus was the review of human resource policies to support managers and employees.

The policy review included the leave policy, to assist the department in managing absences appropriately. Information sessions were held with each branch to provide education on the updated policy and this was further supported through enhanced reporting to the Executive Committee relating to unscheduled absenteeism and high levels of accrued annual leave.

There was a large amount of recruitment activity during the year to support the transition to the in-house catering model and multiple bulk rounds for the Parliamentary Security Service. An updated recruitment policy was implemented to improve practices including phase two implementation of the department's online recruitment system.

Enterprise bargaining continued during 2016–17 with a 'no' vote result in December 2016. Bargaining will continue next year within the scope of the Australian Government's Workplace Bargaining Policy.

### DPS Workforce performance

As at 30 June 2017, DPS<sup>53</sup> employed 972 staff (including staff on leave, secondment and inoperative staff), all based in Canberra. The DPS workforce comprised 792 ongoing employees (81 per cent) and 180 non-ongoing employees (19 per cent). Of the 180 non-ongoing employees, 100 are engaged for a 'specified term or a specified task' and 80 are engaged in 'irregular or intermittent' duties.

The DPS workforce comprised full-time, part-time, sessional and casual work arrangements—80 per cent full-time; 8 per cent part-time; 4 per cent sessional and 8 per cent casual. These types of employment arrangements are used by the department to support the nature and demands of the parliamentary sitting patterns. The department's workforce statistics tables can be found at Appendix A.

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53 The workforce statistics contained in the following tables are based on information from the DPS Payroll system as at 30 June 2017. The workforce report data was extracted on 7 July 2017. Workforce figures provided apply to the 2016–2017 financial year. The workforce profile data includes all DPS employees (including employees on staff on leave, secondment and inoperative staff) and excludes all contractors. These are point in time indicators and do not adjust for seasonal fluctuation, such as parliamentary sitting periods. Data has been rounded to one decimal place and as such may not add up to exactly 100% on certain tables and graphs.

**TABLE 34: Employment Performance 2015–16 and 2016–17**

Indicator	2015–16	2016–17
Total number of staff employed (Headcount)	874	972
Total number of staff employed (Headcount excluding casuals)	787	892
<b>Diversity</b>		
Women (percentage of total workforce)	39%	40%
People with identified Disability (percentage of total workforce)	1.5%	1.7%
Aboriginal and Torres Strait Islander (percentage of total workforce)	11 (1.3%)	12 (1.2%)
Staff with English as a second language (percentage of total workforce)	8.5%	9.1%
<b>Health and Safety</b>		
Health and safety incidents (per 100 employees headcount)	6.8	9.7
Health and Safety 'near misses' (per 100 employees headcount)	1.3	0.5
Number of Health and Safety representatives	14	20
<b>Learning and Development</b>		
Number of staff undertaking studies assistance	27	30
Number of recorded attendances at DPS compliance training activities	970	827
<b>Recruitment</b>		
Average number of days to fill vacancy (from advertising to Delegation sign off)	45	55
External 'new engagement' hires (percentage of new ongoing hires)	68%	70%
Net Recruitment rate*	1.1	1.5

\* Net recruitment rate indicates whether the DPS workforce is growing (net recruitment rate greater than 1) or contracting (net recruitment rate less than 1).



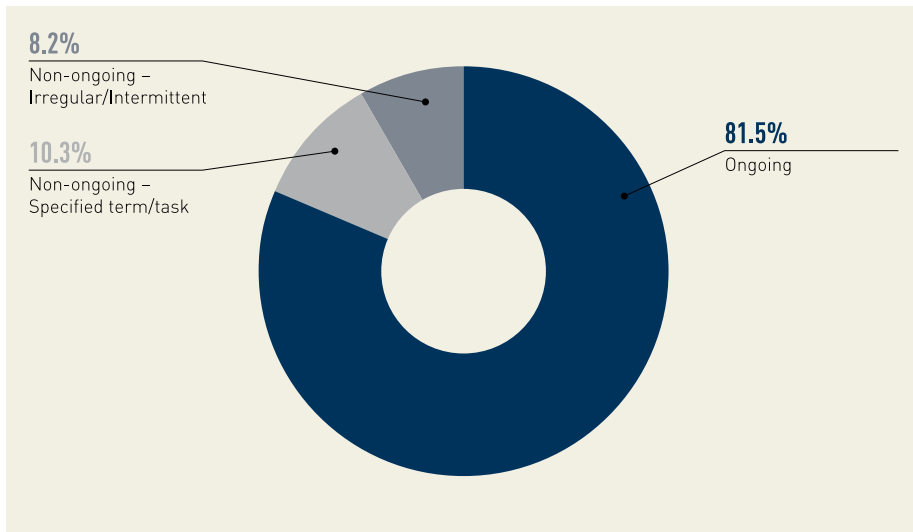
### Workforce diversity profile

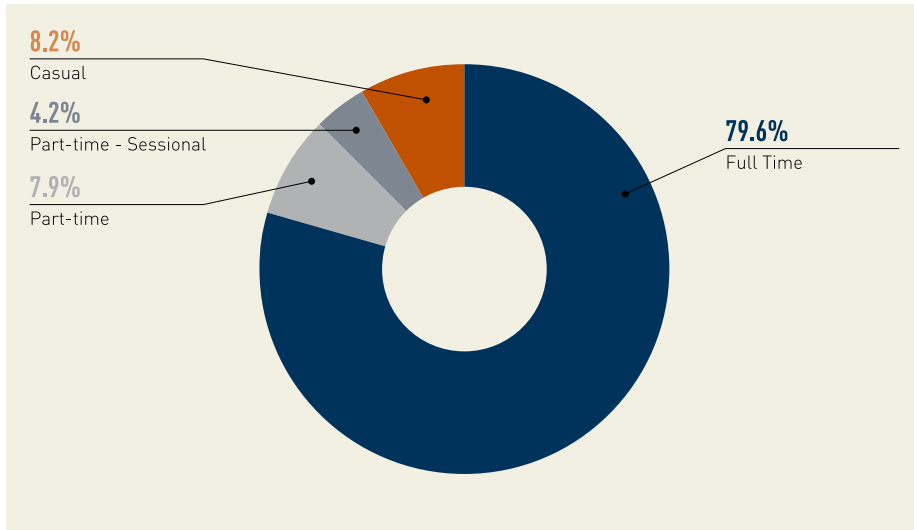
Employees who identified as Aboriginal and Torres Strait Islander were represented by a headcount of 12 making up 1.2 per cent of all DPS employees. While the Aboriginal and Torres Strait Islander headcount increased by one employee, due to the increase in the total workforce, the percentage change decreased by 0.1 per cent for the year.

Employees who identified as People with Disability were represented by a headcount of 17 (up from 13 in 2015–16) or 1.7 per cent of all DPS employees. Cultural and Linguistic Diverse employees were represented by a headcount of 88 (up from 75 as at 30 June 2016) or nine per cent of all DPS employees.

2016–17 saw the highest representation of women in the DPS workforce by a headcount of 389 employees (up from 342 in June 2016) making up 40 per cent of all DPS employees. Of the 389 women employees, 24 per cent were at the PEL1–2 classification.

**FIGURE 18:** DPS workforce composition—30 June 2017



**FIGURE 19:** DPS employee type numbers—30 June 2017

## Workforce diversity

A continued focus throughout 2016–17 was on initiatives in support of the 2016–18 Parliamentary Service Reconciliation Action Plan.

### Reconciliation Action Plan (RAP)

In 2016, the RAP Champions from the four parliamentary departments worked with Reconciliation Australia to finalise a new RAP for the Parliamentary Service. The Parliamentary Service Reconciliation Action Plan 2016–18 was launched in July 2016 during NAIDOC Week. The DPS Reconciliation Action Plan working group oversees how DPS will implement our responsibilities under the RAP. See details of the RAP on pages 94–95.

### Aboriginal and Torres Strait Islander Employment Strategy

In 2016–17, as an initiative of the Aboriginal and Torres Strait Islander Employment Strategy, for the first time DPS participated in the Indigenous Australian Government Development Program (IAGDP) co-ordinated by the Department of Employment. DPS placed one Indigenous participant. The IAGDP program participant commenced in September 2016 for a 15-month program.

Affirmative Measures have been applied to five roles in two bulk recruitment rounds in Building and Security Division and Chief Operating Officer Division to increase Indigenous representation.

## Parliamentary Service Indigenous Employee Network (PSIEN)

In February 2017, the Parliamentary Service Indigenous Employee Network was established to provide a shared space for Indigenous employees from across the Parliamentary Service to access information on relevant programs, initiatives and upcoming events. The network is a valuable tool to promote programs, initiatives, upcoming events. The network comprises Indigenous and non-Indigenous Parliamentary Service employees who meet to discuss and create ideas on employment, retention and improving cultural understanding.

## Disability

DPS continues to be a member of the Australian Network on Disability. In 2017–18, DPS plans to begin the development of a DPS Disability Strategy.

## Recruitment – Entry Level Programs

In 2016–17 DPS participated in the Parliament of Australia Graduate Program for the third year, placing three graduates. DPS placements are offered for periods of three to six months, to graduates who have been accepted into existing Australian Government department and agency graduate programs. The 2017 graduates were placed within the Parliamentary Library and Chief Operating Officer Division where their qualifications in law, business and science were utilised.

In 2016–17 DPS participated in the Department of Finance, whole-of-government ICT Graduate Program, for the second year, placing two graduates. This is a 12-month program, specifically tailored to develop ICT graduates for a career within the public sector.

**TABLE 35:** Entry Level Programs 2016–17

	APS/PS level	Number of participants
Indigenous Australian Government Development Program	PSL 3 to PSL 4	1
Parliament of Australia Graduate Program	PSL 4 or PSL 5	3
ICT Australian Government Graduate Program	PSL 4	2

## Workforce mobility and retention

The DPS workforce has been growing in size for the last three years. The net recruitment rate has increased from 1.2 in 2014–15 to 1.5 in 2016–17 (see p177). During 2016–17 there were a total of 281 employee commencements and 191 employee separations.

DPS' commencement rate (for all employees) increased by 11 per cent, from 19 per cent in the previous year to 30 per cent in 2016–17. This increase was largely influenced by the engagement of 46 new Security Officers in Security Operations and the establishment of the new in-house APH Catering and Events function which engaged 35 new employees.

**TABLE 36:** Overview of the DPS commencement for staff from 2014–15 to 2016–17

	2014–15	2015–16	2016–17
Commencements	204	169	281
Commencement rate <sup>54</sup>	24%	19%	30.4%
Commencements (ongoing employees)	91	66	125
Commencement Rate (ongoing employees) <sup>55</sup>	12.6%	9%	16.4%

In the same 12-month period, there were 191 employee separations. Of these 100 were ongoing employee separations, an increase of two employees on the 98 separations in 2015–16. The resultant ongoing employee turnover rate was 13.1 per cent, down from 13.4 per cent in 2015–16. Ongoing employee turnover rate has remained relatively steady over the last three years.

**TABLE 37:** Overview of the DPS separation rates for staff from 2014–15 to 2016–17

	2014–15	2015–16	2016–17
Staff separations (headcount)	164	157	191
Employee turnover rate (total) <sup>56</sup>	19%	18%	20.7%
Staff separations (ongoing employees)	93	98	100
Employee turnover rate (ongoing employees) <sup>57</sup>	12.8%	13.4%	13.1%

The highest numbers of ongoing separations were employee-initiated resignations of which there were 38. This represented 38 per cent of the departing ongoing workforce. There were also 21 transfers at level (to either the Australian Public Service or elsewhere in the Parliamentary Service) and 17 age retirements from DPS. These represented 21 per cent and 17 per cent of the departing ongoing workforce respectively. Continuing capability reviews and subsequent structural realignment across DPS branches also resulted in 17 voluntary redundancies, one more than in 2015–16.

54 Commencement rate calculated by the number of employees recruited (commenced) as a percentage of the average headcount of the period.

55 Ongoing commencement rate calculated by the number of ongoing employees recruited (ongoing commencements) as a percentage of the average headcount of the period.

56 Turnover rate calculated by the number of total employees who left DPS during the period (voluntary and non-voluntary) as a percentage of the average headcount of the period.

57 Ongoing turnover rate calculated by the number of total ongoing employees who left DPS during the period (voluntary and non-voluntary) as a percentage of the average ongoing headcount of the period.

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## **Instruments of employment**

The Department of Parliamentary Services Enterprise Agreement 2011 was the primary employment instrument. At 30 June 2017 a total of 959 employees were covered by the agreement and, of these, 13 had individual arrangements. Thirteen Senior Executive Service (SES) officers were covered by determinations under subsection 24(1) of the PS Act.

No DPS employee receives a bonus or performance pay.

## **Remuneration and employment conditions**

### **Non-salary benefits**

Non-salary benefits available to DPS employees include influenza vaccinations and free membership for those wishing to join the Parliament House Health and Recreation Centre. Employees are also able to access the Employee Assistance Scheme at no cost. Parking is available at no cost to employees. Other benefits that may be available are laptop computers, tablets, mobile phones and airline membership.

### **Learning and development**

DPS recognises its staff as a valuable resource and is committed to the ongoing development of their skills, knowledge and behaviours to meet the objectives of the department. Learning and development programs are aligned with our corporate plan and strategic themes. In order to broaden staff understanding of learning and development, DPS promotes the 70:20:10 learning principles—learning and development is most effective when there is a balance between on-the-job learning (70 per cent), mentoring, coaching and peer learning (20 per cent), and formal learning (10 per cent).

#### ***Formal training and development***

In 2016–17 there were 827 recorded attendances at DPS compliance training activities. Fraud awareness training completion accounted for 39 per cent of all compliance training programs undertaken.

DPS organised 56 in-house (face-to-face) training sessions which were attended by 541 employees, an increase of 80 employees from 2016–17. Of these 56 sessions, 20 were facilitated by external providers.

#### ***Leadership development***

DPS offered a range of Leadership and Executive development programs to PEL1 and 2 employees. DPS delivered the second PEL1 Development Program during February and March 2017 to build capabilities in the PEL1 cohort. Sixteen people participated in this program.

### *Studies assistance*

DPS provides support for employees to undertake tertiary studies administered through the DPS Studies Assistance Policy. DPS supported 30 employees to undertake a range of tertiary studies, including:

- Bachelor of Arts
- Bachelor of Counter Terrorism, Security and Intelligence
- Bachelor of Information Studies (Librarianship)
- Bachelor of Laws
- Bachelor of Science (Security)
- Bachelor of Software Engineering
- Certificate IV in Public Management
- Certificate IV in Security (Risk Management)
- Diploma of Building Design
- Diploma of Library and Information Services
- Graduate Certificate of Law
- Graduate Diploma in Counselling
- Graduate Diploma in Information Management
- Graduate Diploma Legal Practice
- Graduate Diploma Tax
- Master of Business Administration
- Master of Information Studies
- Master of Public Policy (Social Policy)
- Master of Studies, and
- Masters of Professional Accounting

This year, a total of 2,049 hours of study leave was provided to employees to undertake tertiary education, and \$42,432 in financial contributions was made.

### **Organisational culture and employee engagement**

In 2016, DPS participated in the annual APS Employee Census. It was conducted in May and June 2016. A total of 526 employees provided feedback, and this achieved a 64 per cent response rate—an improvement of 11 per cent on our 2015 response.

The 2016 census showed good improvements in all aspects of employee engagement. DPS staff continued to be particularly engaged with their job, their team and their supervisor. Agency engagement also improved significantly to be nearly the same level as the APS average. The score was influenced by greater stability and consolidation of an experienced senior leadership team, approaches to change management, employee recognition and provision of learning and development opportunities.

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The 2016 results also showed significant improvements in the area of fraud and corruption management, partly due to ongoing efforts to roll out the DPS Fraud Control Plan.

Feedback and results from the 2016 census drove a number of initiatives to improve leadership, people management practices and internal staff communications. Some of the initiatives include:

- changes to the delivery channels of corporate news
- a Performance Management System online form upgrade for the 2016–17 cycle
- renewal of the DPS Recruitment Policy and system enhancements
- stronger requirements and focus on conflicts of interest and the release of a new Policy and Procedure
- release of a new procedure for investigating and determining suspected breaches of the Parliamentary Service Code of Conduct
- the expansion and continuation of the DPS Corporate Training Calendar, and
- establishment of a Parliamentary Executive Level 2 Leadership Forum.

The People and Governance Branch also piloted a series of branch workgroups on five census topics: SES Communication; SES visibility; routine approval processes; change management; and internal communication. The results of these workshops were presented to the DPS senior executive group and several ideas were implemented. It is intended to expand this pilot further across DPS for the 2017 results.

DPS has once again participated in the 2017 APS Employee Census. A total of 581 employees responded, this is 55 more respondents than last year, and achieved a 63 per cent response rate—a decrease of 1 per cent on our 2016 response. The 2017 census results were not available as at 30 June 2016. The department’s results are not included in the APSC’s annual State of the Service Report.

## Work health and safety

### Work Health and Safety (WHS) improvements to Parliament House

Work to address height safety issues in APH continued during 2016–17, and included the purchase of mobile plant and equipment to provide safer access for maintenance purposes, and the design and installation of fall prevention and protection equipment such as fixed ladders, staircases, platforms and handrails. A number of access hatches were also automated to reduce the need for manual handling whilst working at heights.

DPS conducted a number of risk assessments across APH in 2016–17, including:

- a comprehensive review of confined spaces
- a task analysis of ladders used by DPS Maintenance Services
- a noise risk assessment in Hansard, and
- plant and equipment safety risk assessments.

Additional risk controls identified from these assessments have been implemented.

### Consultation on WHS issues

DPS maintains a high level of consultation on WHS issues. Staff are represented on health and safety committees that monitor and advise on WHS programs.

The DPS Peak WHS Committee focuses on reviewing WHS policies and procedures and taking a strategic approach to WHS management across DPS. Individual branches also hold their own WHS committee meetings.

The DPS Contractors' WHS Subcommittee met four times. This forum provides a valuable mechanism to address WHS issues related to the work performed by the large number of contractors at APH.

A key component of DPS' management of health and safety is its network of Health and Safety Representatives (HSRs), deputy HSRs, and Harassment Contact Officers (HCOs). As at 30 June 2017, DPS had 20 HSRs and deputies and 16 HCOs.

### WHS training

A range of WHS-related training was provided to staff throughout the year, including generic induction and refresher sessions for staff and managers. Approximately 131 staff underwent generic WHS training programs.

Occupation-specific WHS training was also provided, including:

- first aid
- working in confined spaces
- working at heights
- scaffolding
- manual handling (for example, lifting and handling of objects)
- plant and equipment use, and
- licences for forklifts and elevated work platforms.

### WHS auditing

In 2016–17, DPS continued to undergo six-monthly surveillance audits of its WHS management system. An external audit confirmed that DPS continued to comply with the requirements of the Safety MAP Initial Level auditing tool. DPS has continued to maintain certification to Joint Accreditation System of Australia and New Zealand standards since its initial certification in November 2009.

### Incident reporting and investigation

One hundred incident reports were submitted by DPS employees during 2016–17. Five incidents were notified to Comcare in accordance with section 35 of the WHS Act. Incidents were examined by DPS and remedial action was taken where necessary. Comcare formally investigated two incidents.

There were no Provisional Improvement Notices issued under section 90 of the WHS Act and no notices or enforceable undertakings were issued under Parts 10 or 11 of the WHS Act.



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## ASSET MANAGEMENT

The department manages departmental and administered property, land and equipment and intangible assets with a net book value of \$2,438 million (2015–16: \$2,320.2 million). Administered assets of \$2,336.2 million (2015–16: \$2,223.8 million) primarily relate to Parliament House, incorporating the building, land and cultural assets. Departmental assets of \$101.8 million (2015–16: \$96.4 million) primarily relate to information technology, software and furniture and equipment.

The department manages asset replacements through an annual capital management plan. The department monitors the management of this capital management plan on a regular basis to ensure that the planned expenditure reflects the department's business requirements.

The department undertakes annual stocktakes, impairment and revaluation reviews which are used to update and verify the accuracy of asset records and to review the condition and ongoing utility of assets. The outcomes of the reviews are considered by the ANAO as part of its assessment of the annual financial statements.

## PURCHASING

DPS implemented a number of strategic and operational improvements to the procurement framework and guidance materials during 2016–17, including improvements to procurement practices for goods and services. DPS' frameworks continue to be managed in accordance with the Commonwealth Procurement Rules (CPRs), the PGPA Act and DPS' Accountable Authority Instructions (AAIs).

DPS' primary procurement objectives are to:

- ensure the principle of value for money is consistently obtained through:
  - encouraging competition
  - promoting efficient, effective, economical and ethical use of resources, and
  - conducting our business in an environment of accountability and transparency
- support the business requirements of each branch within the department through a focus on better practice procurement
- encourage the use of Indigenous businesses and support the Indigenous Procurement Policy, and
- engage small and medium enterprises wherever practicable.

DPS has a specialist procurement unit to ensure that:

- established guidelines and procedures are observed by DPS staff undertaking procurement and contract management activities
- statutory reporting responsibilities are met
- contracting and tendering activities are monitored, and
- ongoing training is provided to areas of the department that are involved in procurement.

## CONSULTANTS

DPS classifies consultants as individuals, partnerships or corporations engaged to provide professional, independent and expert advisory services to the department. DPS engages consultants where there is a need for independent research or assessment, or where specialised or professional skills not available in-house are required.

During 2016–17, nine new consultancy contracts were entered into, involving total actual expenditure of \$155,507.00 (GST inclusive). In addition, five ongoing consultancy contracts were active during the period, resulting in a total actual expenditure of \$229,414.80 (GST inclusive).

The method of procurement for consultancy arrangements is determined by the complexity, nature and value of each individual requirement to achieve a value for money outcome that supports DPS' business requirements.

Consultants were engaged by DPS via approaches to the market and through DPS' access to consultancy panels and multi-use lists established by other departments for:

- engineering services
- reviews of resources and processes
- design integrity advice, and
- strategic business planning.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website [www.tenders.gov.au](http://www.tenders.gov.au).

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## AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES

All DPS contracts allow access for audit purposes.

## EXEMPT CONTRACTS

During 2016–17, no DPS contracts or standing offers were exempted by the Secretary from being published via AusTender on the basis that they would disclose exempt matters under the FOI Act.

## PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

DPS supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SMEs) and Small Enterprise participation statistics are available on the Department of Finance's website:

[www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts)

With a focus on achieving the best value for money outcome in each circumstance, DPS supports and encourages engagement with SMEs wherever practicable.

Consistent with paragraph 5.4 of the CPRs to ensure that SMEs can engage in fair competition for Commonwealth business, DPS applies the following procurement practices:

- use of the Commonwealth Contracting Suite for low-risk procurements valued up to \$200,000 and some procurements valued up to \$1 million where practical, and
- payment cards to facilitate on-time payment performance.

To achieve best practice procurement processes the relevant divisions of the CPRs are applied as appropriate.

DPS recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on Treasury's website: [www.treasury.gov.au](http://www.treasury.gov.au).

