

## 21 May 2018 Budget Estimates - Statement regarding cleaning contracts

As Senators will be aware, DPS has been in the process of establishing a new cleaning contract for internal and external cleaning services at Parliament House. This contract was executed on Thursday 10 May 2018. In full cognisance of the ongoing interest in our cleaning contracts, I wish to place on record that my department has managed this process:

- Lawfully and in compliance with both the intent and spirit of the Commonwealth Procurement Rules
- to achieve the best value-for-money outcome for the Commonwealth
- to ensure delivery of high cleaning standards and a seamless transition of services

In preparing the tender specifications, we formulated Key Performance Indicators which will ensure a high standard of cleaning and will form the basis for effective ongoing contract management – this was a shortfall in the previous arrangement.

The tender went to open market. Short-listed tenderers were assessed for their technical responses against listed criteria and value for money.

Neither of the incumbent cleaning contractors were successful in being selected as preferred tenderer.

While they are understandably disappointed in the outcome, I would like to publicly acknowledge that they are professionally working with us to facilitate an orderly transition. I would like to thank them for their good will.

We progressed negotiations with the preferred tenderer mindful of the situation faced by 50 or so existing cleaning staff.

The preferred tenderer expressed a desire to us to offer employment to existing cleaning staff that meet their employment conditions – so we are optimistic of a good outcome in respect of retention.

In addition, through our contract we have increased the number of internal cleaners by 13 and external cleaners by 2 during at least the first 12 months – so we have increased job opportunities and there should be no increase in intensity of work conditions.

Present pay rates will be maintained for all cleaning staff under the new arrangements and provision has been made for wage rises for all cleaning staff, including those currently paid above Award, following Fair Work Commission annual wage review determinations.

For equity, new workers will be matched to the existing wage rates.

Non-monetary conditions are set by the Cleaning Services Award or are matters to be determined under the employer-employee relationship.

Finally, the contractor has a mature indigenous employment strategy with a 4% indigenous employment target, so we will be looking forward to improving indigenous representation among the people working within Parliament House alongside our other initiatives.

Importantly, all this has been achieved, within our budget, taking into account future efficiency dividends. I am satisfied the outcome has been both fiscally and socially responsible.