



Parliamentary Service Commissioner

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Speaker of the House of Representatives
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Dear Presiding Officers

I write to advise that I have completed my review into the Department of Parliamentary Services. The review was conducted under section 40(1)(b) of the *Parliamentary Service Act 1999*. Mr Ken Baxter was engaged to assist me with this review, and his report is attached.

Mr Baxter's report makes recommendations across a number of key themes. These are:

- greater clarity around the service delivery nature of the Department, exemplified by a change to the titles used by senior staff
- improved governance, including the establishment of an advisory board, more robust planning and budgeting, and clearer accountabilities for outcomes
- streamlined organisational structures, including a reduction in the number of senior roles
- more effective communication within the Department, between Parliamentary Departments, and with members and senators
- the need for a coherent whole-of-Parliament approach to planning and budgeting, reducing duplication and minimising structural inefficiencies
- recognition of the significance and costs of the Parliament House building and infrastructure, and the creation of a "sinking fund" to provide for its long-term maintenance

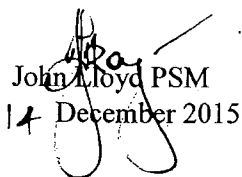
His report and recommendations provide a useful basis for the new Secretary to consider the functions and structure of the Department as he begins his term of appointment.

There are a number of recommendations which I believe require further thought and consultation. In particular, the rationale to move the Ministerial and Parliamentary Services (MAPS) function from the Department of Finance into the Department of Parliamentary Services requires further development. The implications of such a move would also need to be explored more fully. I note the current review into the Parliamentary Entitlements system being undertaken by Mr David Tune AO PSM and Mr John Conde AO is expected to report in the first half of 2016. It would be prudent to reserve any decision about MAPS until that review is completed.

The role and operation of the proposed advisory board also warrant further consideration to ensure that such a board would support good governance, rather than add an additional layer of bureaucracy. If you are inclined to adopt this recommendation, I suggest that the independent directors be selected to bring in particular expertise, such as building management, as needed. An alternative could be a regular management meeting involving you and the four heads of the Parliamentary Departments.

The report also touches on the challenges associated with DPS's colocation in Parliament House with the members and senators it serves. In particular, the capacity for DPS staff to raise grievances and lobby for support with members and senators is, in my view, corrosive. It is essential that DPS has a mechanism to deal quickly and fairly with grievances, and that a discipline be established to ensure that disaffected staff do not utilise 'back door' approaches to resolve them. For their part, members and senators should refer any such approaches back through proper management channels.

Yours sincerely



John Lloyd PSM
14 December 2015