



PARLIAMENT OF AUSTRALIA

DEPARTMENT OF PARLIAMENTARY SERVICES

Response to the Senate Finance and Public Administration
Legislation Committee report:

The performance of the
Department of Parliamentary Services

February 2013

Response to the Senate Finance and Public Administration Legislation Committee Report on the performance of the Department of Parliamentary Services

Introduction

The Department of Parliamentary Services (DPS) welcomes the Committee's Report and its recommendations. We acknowledge and thank the Committee members for their work. This response is framed in accordance with the specific recommendations of the Senate Finance and Public Administration Legislation Committee and also seeks to address the additional areas of broad concern and other matters of continuing interest to the Committee.

Many of the recommendations reflect the priority directions to refocus and strengthen DPS as a Department that delivers customer-focused and efficient services. In many areas, DPS has already commenced action in line with, or extending further, the recommendations of the Committee.

DPS commits to periodically informing the Committee of the progress against these priorities, the implementation of the recommendations and other actions that have been committed to in this response.

Accountability and transparency

Recommendation 1 – 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.

Response

The Department of Parliamentary Services (DPS) supports an appropriate level of scrutiny and advocacy for its role within the parliamentary system. There are currently four main layers of Parliamentary accountability for DPS.

Most significantly the Presiding Officers have a direct line of accountability to them from the Secretary of DPS. This relationship is articulated in the *Parliamentary Service Act 1999* and they have utilised this authority in instructing the incoming Secretary in 2012 about their expectations and have met regularly with her to ensure the operational improvements and the program of reform are on track.

The Presiding Officers have a number of committees which operate to advise them on key aspects of DPS' role. These include the Security Management Board (usually meets ten times a year) and the Joint Library Committee (meets 4 times a year). Over the past 12 months the Presiding Officers have also overseen the establishment of the Heritage Advisory Board (meeting ten times a year) and the Parliamentary ICT Advisory Board (expected to meet six times a year). The Presiding Officers are actively involved in this layer of accountability and have taken action when required.

The second layer, the Joint House Committee, is made up of the members of the separate House Committees of the Senate and the House of Representatives and usually meets four times a year. The primary focus of these separate Committees is their own Houses. The Joint House Committee is currently Chaired by the President of the Senate.

The third layer is oversight by the Senate Finance and Public Administration Committee through its Estimates hearings three times a year and its questions on notice process. The Committee has raised concerns that the identification of many issues raised in the Inquiry came to its attention through the Estimates process. In many ways this might be seen to represent the valuable role Estimates plays in accountability.

The fourth layer is the Parliament itself. Under statute and resolutions, the Parliament is required to involve itself in Parliamentary administration and the activities of DPS. The Department was established by resolutions of the Houses in accordance with the *Parliamentary Services Act 1999*. Certain proposals for work (including major work proposals) in the Parliamentary zone and precincts are to be approved by the Parliament in accordance with the *Parliament Act 1974*. A Senate resolution of 3 June 1987 provides, inter alia, that no changes in the structure or responsibilities of the Parliamentary Departments should be made until the Senate has approved of the changes.

DPS is also accountable through its Annual Report, Australian National Audit Office audit processes and general legislative compliance requirements for such matters as budget, fraud control and WHS. While there may be merit in a further element of scrutiny over DPS to assist the Presiding Officers in their role, its form would need to be balanced against current arrangements to maximise its effectiveness.

As also noted in the Report there is no single entity with a role to advocate for the needs of DPS. In this way it differs from the Chamber Departments which each have a specific Parliamentary Committee dedicated to both oversight and advocacy.

In this context the Presiding Officers will consider whether alternative mechanisms for both accountability and advocacy should be established either along the lines recommended by the Committee or as a stand-alone arrangement. In the interim, the Presiding Officers will continue to affect accountability on the Department Secretary as specified in the Act and will closely monitor the performance of the Secretary in the delivery of her duties.

Employment issues

General comment

The Committee's findings on bullying and harassment within DPS, the lack of confidence in senior management and lack of leadership in this area is beyond dispute. Regrettably, historically there has not been sufficient active focus on bullying and harassment and several individual cases were not appropriately dealt with. It is acknowledged that further and on-going action is required by the Department.

DPS supports the recommendations to build and re-establish the confidence of staff to raise concerns regarding inappropriate behaviour in the workplace. In late 2012, the Department developed and is now implementing a Fostering Inclusion and Respect Strategy designed to ensure that DPS is a fair and ethical workplace for all staff through a stronger focus on prevention, early intervention when such matters are raised, timely investigation and follow up. Supporting this will be a broader strategy to promote appropriate workplace behaviour which is currently in development and will be implemented from early 2013. Key elements underpinning both strategies include embedding senior management commitment, prevention initiatives, a learning and development program, strengthened policies and procedures and monitoring and regular reporting.

Further work is also required to improve confidence in DPS recruitment practices and the health and welfare of staff. The responses below aim to strengthen recruitment practices by improving transparency and merit based processes. Improving the health and welfare of staff will be addressed through a more equitable allocation of work and review of specific work practices in priority areas such as Hansard.

Recommendation 2 – 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.

Response

DPS supports this recommendation.

In 2012 DPS focused on a corporate compliance training program to educate managers and staff on appropriate workplace behaviour through the following courses:

- Bullying and Harassment;
- Parliamentary Service Values & Code of Conduct;
- Fraud and Ethics; and
- Work Health and Safety Awareness.

All staff are now required to attend these courses every two years. During 2011-12, there were 339 attendances recorded for these courses.

In November 2012, DPS also conducted a pilot course on the management of workplace behaviour which was compulsory for all Parliamentary Executive Level 2 Directors. This course covered what is, and what is not, appropriate workplace behaviour and, strategies to remedy inappropriate behaviour; leadership techniques, roles and responsibilities; and the DPS complaint management process.

By July 2013, DPS will also create a suite of information and support tools for staff and managers that articulate the roles and responsibilities of all staff. This will include:

- the establishment of a structured complaint management framework with appropriate support tools and information guides for staff;
- regular monitoring and reporting to enable the Executive to identify 'hot-spots' of staff dissatisfaction or stress;
- ongoing review of strategies to manage workplace behaviour; and
- the establishment of workplace behaviour agenda items in key communication forums such as the DPS Consultative Forum, Executive meetings, meetings between DPS and union representatives, Branch staff meetings and the Harassment Contact Officer Network.

Recommendation 3 – 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.

Response

DPS supports this recommendation.

In July 2011, DPS established a Human Resource Register (Register) in which HR staff record workplace issues. Matters recorded include complaints of bullying and harassment, workplace disputes, Code of Conduct investigations and requests for review of management action.

DPS currently uses the Register as both a reporting mechanism and as a preliminary stage of its case management process to help ensure that all workplace matters are recorded and actioned through to an appropriate conclusion for the complainant and respondent.

From March 2013 the DPS Executive will review regular reports on bullying and harassment complaints, disputes and pending workplace investigations. The intent of this process is that workplace behavioural issues are swiftly and professionally addressed. This action will establish more streamlined and effective processes that will avoid the mistakes of the past and enable issues to be better managed through proper oversight and regular reporting.

Recommendation 4 – 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.

Response

DPS supports this recommendation.

DPS recognises that it is vital to address inappropriate behaviour as soon as it is identified, rather than waiting for a specific complaint to occur. In accordance with the 2011 Comcare Bullying Prevention Audit, all DPS section managers have conducted formal Bullying Risk Assessments to identify whether trends or hotspots exist. The responses have been analysed and advice provided back to each branch head regarding contributory factors, such as the level and intensity of workload; staff shortages; and organisational change. In September 2012 Branch heads were provided advice on the various options which exist within DPS to mitigate the risk of inappropriate behaviour.

To further support pre-emptive action against bullying and harassment, in late 2012 DPS commenced a program to revamp and re-energise its Harassment Contact Officer (HCO) Network. Through an active promotion of the role, staff representation on the HCO Network increased from nine HCOs in October 2012 to 27 in December 2012. The role of the HCO is to assist staff by being the first point of contact for issues of bullying, harassment, discrimination and other forms of unacceptable behaviour.

The HCO network is a significant mechanism which provides individual staff opportunities for direct and discreet contact, whilst ensuring that issues of inappropriate workplace behaviour are promptly addressed and privacy assured. HCOs are tasked with distributing information about their services throughout DPS through team and branch meetings and other representational forums. The HCOs are scheduled to undertake a two-day HCO training course in February 2013 and all staff will be actively encouraged to use the HCO Network to

assist them in matters where they believe they are experiencing or witnessing inappropriate behaviour.

All HCOs are required to report to HR Services any contact with staff regarding inappropriate behaviour. It is intended that, as DPS establishes and further strengthens the HCO Network, the volunteer HCOs will become workplace 'champions' in educating colleagues in the early identification and resolution of inappropriate behaviour.

Recommendation 5 – 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.

Response

DPS supports this recommendation.

DPS has commenced preliminary discussions with Comcare to conduct a supplementary audit (including survey) similar to the bullying and harassment audit undertaken in late 2011.

DPS anticipates that Comcare will conduct this audit and survey in late 2013. The survey will provide valuable feedback on the impact of strategies rolled out in 2012-13 by:

- measuring the levels of confidence of staff in reporting inappropriate behaviour;
- measuring staff understanding on how to lodge concerns and complaints of inappropriate behaviour; and
- providing assurance that when issues or complaints are made, they are dealt with quickly and effectively.

DPS will also assist Comcare in the development and promotion of a National Work Health and Safety (WHS) Management System Audit Tool. DPS's Work Health and Safety Management System is audited against the SafetyMAP audit tool, and is accredited against the Joint Accreditation System Australia and New Zealand (JAS-ANZ) standards.

DPS aims to model best-practice for other Commonwealth agencies. DPS is the only Commonwealth premium paying agency that has accreditation to JAS-ANZ standards. As a result, Comcare will use the DPS WHS Management System as a case study for distribution to the wider Commonwealth.

Recommendation 6 – The committee recommends that the Department of Parliamentary Services ensure that all recruitment processes are open, transparent and based on merit.

Response

DPS supports this recommendation.

The *Parliamentary Service Act 1999* and the *Parliamentary Service Determination 2003/2* provide the legislative framework for staff selection and engagement in the Parliamentary Service. This legislative framework is intended to ensure that all selection processes are based on merit, free of patronage, favouritism and discrimination and that the principles of procedural fairness apply.

DPS acknowledges that it needs to strengthen procedures to provide greater confidence that:

- all eligible applicants have a reasonable opportunity to put forward their claims;
- all selection processes are transparent, and seen to be applied fairly to all applicants; and
- the assessment process is able to realistically match the qualities of the applicants to the qualities genuinely required for the job.

To ensure that all recruitment processes are open, transparent and based on merit DPS will review its policies and guidelines in the first half of 2013 so that all participants, including selection committee members, understand their roles and responsibilities. From early 2013, DPS will also introduce a formal process for all members of selection committees to declare perceived and actual conflicts of interest prior to short-listing applications, to ensure the concerns and perceptions of nepotism are addressed.

The DPS Executive will review regular reports on all recruitment actions. This reporting will include all recruitment statistics and components such as number of applicants for each position, number short listed, panel members, decisions, merit lists, outcomes and any additional information to ensure transparency and accountability for recruitment decisions.

Recommendation 7 – The committee recommends that the Department of Parliamentary Services ensures that all employees 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.

Response

DPS supports this recommendation.

A key component of the DPS corporate training agenda is Selection Advisory Committee (SAC) training. This training covers the application of the merit selection and the rigour required when making employment decisions. As stated in response to Recommendation 6, all policies, processes and guidelines relating to selection and employment decisions will be reviewed and communicated to all staff.

DPS will also ensure that only trained staff can participate in a Selection Advisory Committee.

Recommendation 8 – 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.

Response

DPS supports this recommendation.

DPS notes the benefits of an electronic recruitment system and has commenced work on a comprehensive e-HR project to encompass electronic systems that will not only benefit recruitment processes but also performance management, learning and development and analytic and reporting systems. It is expected this project will automate several HR manual processes to realise working efficiencies and assist staff in workflow processes and decision making.

DPS will complete this action by the end of 2013.

Recommendation 9 – The committee recommends that the Department of Parliamentary Services approaches the Merit Protection Commissioner to establish independent selection advisory committees for forthcoming recruitment processes.

Response

DPS supports this recommendation.

DPS has commenced discussions with the Merit Protection Commissioner (MPC) on possible assistance with forthcoming recruitment processes, and developing strategies to be used across the Department to promote merit-based principles. The MPC provides a service called Independent Selection Advisory Committees (ISAC), which can make recommendations to agencies about the suitability of candidates in recruitment exercises. The ISAC may be used to fill vacancies at the job classification levels of APS 2-6.

The MPC may charge agencies a fee for services provided by the ISAC. DPS will consider using this service, noting that, despite its cost, the Department may realise savings as the ISAC provides an efficient, professional and transparent process at the outset, without the costs of delayed placement decisions resulting from promotion reviews.

The Department will continue to work with the MPC over the coming months with the aim of implementing this recommendation by 30 June 2013.

Recommendation 10 – 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.

Response

DPS supports this recommendation.

Personal leave is an important entitlement for staff. Unplanned personal leave is often needed, not only due to illness, but for caring and other responsibilities. Data does show however, that rates of unplanned leave are above average in DPS.

Absence management is therefore an important issue for DPS to address and the Department acknowledges that high absence levels can often indicate an underlying workplace issue such as motivation, job satisfaction or commitment to organisational goals. DPS recognises that failure to manage and address unplanned absence places other employees under unnecessary pressure. In this context an early focus approach will be undertaken to determine where the 'hot spots' and assist frontline managers with a better practice approach, using clear, fair and well-communicated management methods. These methods may include training for line managers in addressing absenteeism; providing them with tools to record, monitor and analyse their workplace; and assisting them with a consistent prevention and return to work strategy for staff who demonstrate consistent unplanned absenteeism.

For a longer-term management approach, DPS will establish an Absenteeism Review Group comprising staff, managers and union representatives to assess the nature of unplanned staff absences, identify underlying causes and develop measures to bring rates of personal leave to an acceptable level. The DPS Executive will also review regular reports on the management of personal leave, using statistical analysis, benchmarking and trend data. Absenteeism will also continue to be discussed at the Department's quarterly Consultative Forum meetings. DPS will implement measures to address this recommendation by 30 June 2013.

Recommendation 11 – 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.

Response

DPS supports this recommendation.

DPS has a number of staff in Hansard who have had workplace restrictions for many years. In 2011, there were eight (8) long-term cases in Hansard. As a result, DPS undertook a much more coordinated and proactive approach to assisting staff with workplace injuries, primarily through engagement of an Occupational Physician with expertise in musculoskeletal injuries. The Occupational Physician was invited to visit Hansard to obtain a thorough understanding of Hansard operations, enabling them to make fully informed recommendations regarding treatment and work restrictions of affected staff. This intervention approach has enabled six long term affected staff to successfully return to full time duties, noting that other two staff members are making sound progress to recovery.

As part of the Department's enhanced focus on proactively supporting staff, in September 2012, it engaged SRC Solutions to undertake a risk assessment of the Hansard work environment. SRC Solutions reported in late 2012 and found that:

- the risk of Occupational Overuse Syndrome, or other musculoskeletal disorders resulting from the work performed by Hansard staff, was assessed as being at a low-moderate level;
- the results are broadly consistent with the injury risk associated with the use of Windows based applications in other office environments; and
- DPS has control measures in place to address this risk.

The Report also made several recommendations in relation to work practices and workload; use of technology; physical working environment; occupational overuse syndrome and pre-employment screening for staff. Implementation of the Report's recommendations began in January 2013.

Notwithstanding this recent work, given the SRC Solutions report, ongoing concerns about WHS raised by Hansard staff and broader workplace development opportunities, DPS will conduct a full review of Hansard in 2013. While the terms of reference for the review are yet to be finalised, it will include examining how improvements in the use of technology, staffing roles and structures, managing variations in workload and training could contribute to a more healthy, effective and efficient workplace.

Heritage management of Parliament House

General comment

The Committee has highlighted serious issues with DPS processes for the management of assets at Parliament House. These include the maintenance of design intent, the adequacy of engagement with the original architects, the governance framework through which changes to the building are made, the transparency of decisions and the involvement of the Parliament in certain decisions. DPS accepts that major changes are required to address these issues.

DPS is committed to developing a clear vision for the preservation of the building that will remain relevant for decades to come. The way forward will include new arrangements for genuine consultation with the moral rights holders, the development of a Conservation Management Plan with the assistance of an expert advisory committee, improved project management, strengthen governance and the creation of specialist senior positions to drive revised processes for the management of heritage.

Recommendation 12 – 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.

Response

DPS supports this recommendation.

Arrangements are currently underway for a plaque to commemorate the contribution of the original architects and those who worked on the planning, design and construction of Parliament House. It is anticipated that the plaque will be placed in a prominent position within the Parliamentary Precincts during a special ceremony in mid-2013, the year of the 25th anniversary of the opening of Parliament House.

Recommendation 13 – 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.

Response

DPS supports this recommendation.

DPS acknowledges the concerns of the Committee about the completeness, accuracy and transparency of information it provides, in addition to its overall capacity to effectively manage the building. It is important that the Parliament and the Australian public are provided with full and frank information about the condition of Parliament House as one of the most iconic working and public buildings in the country. Current planning and reporting practices do not provide an adequate basis from which to assess the ongoing needs of the building and its contents.

DPS recognises the important custodial role it plays in maintaining this complex national building and its contents and commits to better performing this role into the future through improved organisational capabilities, benchmarking, medium and long term planning and reporting.

In its evidence to the Inquiry in October 2012, DPS committed to reviewing the current methodology through which the condition of the building is assessed – the Building Condition Index (BCI) and the Engineering Services Condition Index (ESCI). This will be undertaken in 2013 and will assist DPS to develop an appropriately detailed Strategic Asset Management Plan through which accurate and costed strategies for maintaining the building and its contents can be developed and published.

As recommended, DPS will report to the Parliament through the Presiding Officers on matters relating to the building and its contents, including the costs of upkeep and operations and associated heritage issues. It is envisaged that this will require a staged development, commencing with the review of BCI and ESCI methodology prior to a full condition audit in 2013-14. The Department will simultaneously improve its business case, costing and project management capabilities to ensure that the findings of the condition audit can be accurately costed for budget purposes.

Maintenance and project management

General comment

The Committee has raised concerns about the adequacy of project planning, the availability of in-house technical expertise, and the implementation of projects by DPS. Of particular concern is the lack of specialist departmental staff to provide advice in technical areas and undertake appropriate maintenance work within the building. Currently, DPS has panel arrangements for the supply of some technical specialist services such as engineering expertise. Other skill sets are supplied by in-house staff. It is timely to review the existing skill set and to determine the appropriate range of expertise needed to maintain and upgrade the building.

Related to this, in late 2012 DPS commissioned a high-level review of the Asset and Capital Management Framework in order to streamline and provide a higher level of reporting and management of the Capital Management process within DPS. Implementation of some of the recommendations will directly impact on project management and will improve the project request approval process, transparency of projects and accuracy of reports. Internal changes to organisation structures within DPS are underway to improve project governance, consistency of approach and project controls.

Recommendation 14 – 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.

Response

DPS supports this recommendation.

The Department will commission focused capability reviews in the areas of design integrity, project management and technical services, including fire safety and engineering, in the first half of 2013.

These reviews will identify the skills and qualifications of current staff and match those against identified corporate needs. This will be followed by a training and recruitment strategy to fill any internal gaps as well as inform DPS' approach to contracted services in specialist asset management areas.

Recommendation 15 – 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.

Response

DPS supports this recommendation.

Since July 2010, DPS has commissioned three investigations by specialist engineers into different aspects of fire safety systems including replacement of the fire indicator panels, fire sensors replacement, and fire penetrations audit and rectification. This has resulted in a program of works to upgrade and replace old and ageing infrastructure and systems, and expected changes to operational procedures. It is anticipated that all priority work will be completed by September 2014, with the remainder of the current program to be completed by June 2015.

Over time, the fire code and the Building Code of Australia change and the obligations of building owners can also vary. While accepting this recommendation, in light of the recent investigations and the program of works, DPS proposes that the recommended fire safety audit be carried out at the conclusion of the current program of works. In the intervening period, DPS will conduct its skills audit and related work to ensure it has the appropriate expertise in this important area.

Building documentation is a vital element of DPS responsibilities. Document management protocols are maintained in accordance with the National Archives of Australia (NAA) guidelines and the NAA DPS disposal authority.

In 2012, the current documentation/drawing management system, which was specifically developed for the Joint House Department, was reviewed for its ability to continue to provide an efficient service. The review identified a number of deficiencies, primarily due to interoperability with legacy systems and productivity improvements which are now available with newer software packages.

A scope for the technical documentation management system upgrade will be developed by June 2013, with the aim to commence the upgrade in the 2013-14 financial year.

Documentation relating to the building and infrastructure services must be maintained for the 200 year building life. DPS has a procedure for processing updates to the technical drawings and the technical documentation library, whenever there are changes made to the building. In summary, drawings and other technical documentation are reviewed to ensure that the information accurately reflects work completed and all changes are tracked through the documentation management system to update the master plans for the building. The process is required to ensure that the history of changes to the building are recorded, and maintained in accordance with the National Archives of Australian (NAA) guidelines and the NAA DPS disposal authority.

Recommendation 16 – 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.

Response

DPS supports this recommendation.

A comprehensive review of the form and content of the Annual Report will be undertaken, including specific consideration of issues raised by the Committee including:

- the requirement for a ‘clear read’ between the report and the Portfolio Budget Statements;
- consideration of other formats/forums for reporting information to the Parliament and the public, and how they might complement information provided in the annual report;
- the use of existing governance and reporting mechanisms, such as the Library Committee, the Joint House Committee and the Parliamentary ICT Advisory Board, to report information that is less suitable for an annual report; and
- the need for timely, accurate and useful trend data.

A full review of the DPS Key Performance Indicators has also commenced. It is acknowledged that the number of performance measures reported in the Portfolio Budget Statements and Annual Report is too great and many existing indicators do not facilitate useful analysis. The anticipated outcomes of the review are:

- a reduction in both the number and detail of performance indicators listed in the PBS – detailed information will still be collected and used for management decisions, but only included in the annual report when required as supporting data;
- a better focus on the Department’s core business, including building maintenance and construction projects;
- a set of KPIs that accurately and effectively show performance against the new DPS corporate plan objectives;
- the creation of data sets that report outcomes and outputs rather than just activities; and
- data that can be reported consistently to allow both benchmarking and comparative annual performance to be assessed.

Both reviews are related and will be conducted during the first quarter of 2013.

Asset management

General comment

While the Committee has noted some improvement in DPS’s disposal procedures since the commencement of its Inquiry, it has also expressed concern that improvements will not be realised unless there is a continued focus on what constitutes possible heritage or cultural value. The Committee also highlights that DPS is a steward of assets on behalf of the Parliament and the Australian people.

In line with these concerns, DPS commits to developing a plan, in consultation with the other Parliamentary Departments, for coordinated procedures and ongoing training and awareness raising in relation to the management of items with possible heritage or cultural value.

Recommendation 17 - 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.

Response

DPS supports this recommendation.

DPS owns and is responsible for all status A furniture. However, existing arrangements for category B furniture are complex. DPS does not own or control a significant portion of the status B furniture. Broadly, DPS owns and looks after all status B furniture in general circulation areas and in the Ministerial Wing. The Chamber Departments own and are responsible for the status B furniture in their respective locations/departments. While all status A and B furniture is maintained by DPS, the Chamber Departments are responsible for refurbishment and disposal of their respective status B furniture. Over the course of a year DPS carries out inspections of all status A and B furniture and provides advice to the Chamber Departments in relation to the refurbishment of their respective status B furniture.

DPS will work with the other Parliamentary Departments to 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. This audit will be completed by the end of 2013. DPS will also seek the agreement of the Chamber Departments to consolidate this information into one system to end duplication and minimise any risk that effective management controls are compromised.

Contract management

General comment

The Committee raised numerous concerns regarding DPS' contract negotiation and implementation practices. The Department agrees that this is a priority area for action. DPS is dedicated to improving the delivery of its services to clients. An important part of the service delivery framework is the use of contractors. Robust procurement and contract management processes are therefore vital to ensuring DPS meets its obligations to clients, and to ensure that it delivers value for money services within the Commonwealth procurement environment. DPS agrees that there are steps that can be taken to enhance its contract management capability to better manage current contractual arrangements and ensure that all future contracts entered into are sound and managed effectively.

Recommendation 18 - 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.

Response

DPS supports this recommendation.

As stated in response to Recommendation 14, DPS will conduct a skills audit in the first half of 2013 to identify the capability of officers currently in contract management roles. Where gaps are identified, staff will be provided with appropriate training to improve their contract management skills, including training by the Department of Finance and Deregulation, and nationally recognised training at the Certificate IV, Diploma or Advanced Diploma level as applicable. DPS will also ensure that in its recruitment process for positions relating to

contract development and management that applicants demonstrate their experience and qualifications in this area.

Recommendation 19 - The committee recommends that the Department of Parliamentary Services review the way in which it develops and manages contracts.

Response

DPS supports this recommendation.

DPS will undertake a review of its procurement and contract framework in 2013 to ensure it is contemporary, robust and meets Commonwealth requirements and identified best practice. This will include a comprehensive review of all relevant documentation, including templates, procedures, processes and other resources to ensure that DPS is aligned with the most recent developments in procurement and contract management.

As part of the review, the Department will consider where its internal resources need to be complemented by external assistance, including legal assistance, contract negotiation expertise, and other subject matter experts. Where appropriate, DPS will consult the Department of Finance and Deregulation and the Auditor-General and engage external providers to assist in the review, to be completed by the end of 2013.

Recommendation 20 - 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.

Response

DPS will undertake the steps identified by the Committee and its response to Recommendations 19 and 20 to immediately improve its contract development and management capability. While this work is underway, DPS will approach the Auditor-General to seek his views on the best way to undertake an evaluation of DPS contract development and management, including a potential timetable for the evaluation.

Security arrangements

General comment

The Committee expressed concerns around aspects of DPS management of physical security enhancements, as well as security staffing and rosters. DPS is committed to providing professional security services to the Parliament that appropriately balance the design integrity requirements of the building and recognise the importance of facilitating legitimate public and business access. As noted by the Committee, further attention is required on the planning and implementation of physical security projects. This will be achieved through measures outlined in the response to the recommendations on project management, contract management and staff capability. In January 2013 DPS advertised the new position of Assistant Secretary, Security. This will enable the important function of security to be overseen by a senior manager dedicated to the area.

Recommendation 21 - The committee recommends that the Security Management Board review the criteria for the issue of photographic security passes for Parliament House.

Response

DPS supports this recommendation.

This issue was also canvassed in the independent review of the 23 August 2012 security breach, along with a recommended review of the criteria for issuing 'unaccompanied' paper passes. As Chair of the Security Management Board, the Secretary, DPS will seek its support in early 2013 for a broad-ranging review including examining all categories of passholders and passholder privileges, based on an assessment of the risk of unrestricted access, to ensure that the number and type of active passes reflects business requirements for access to private areas.

A short term response will include a revision of *Operating Policy and Procedure No. 10.10 Parliament House Passes* with particular reference to categories of passholders, vetting requirements, access privileges and duration of passes. Longer term implementation may include options for restricting access within the private areas of Parliament House using electronic access.

The initial policy revision is expected to be completed by mid-2013, with implementation at the commencement of the 44th Parliament.

ICT issues

General comment

The Committee canvassed ICT issues broadly while recognising that implementation of the recommendations arising from the Roche Review will result in significant change to the way in which ICT services are planned, and provided to, all users of the Parliamentary Computing Network and occupants of Parliament House.

The ICT governance arrangements recommended by Mr Roche have been adopted as follows:

- the Parliamentary ICT Advisory Board (PICTAB) has been established, with its first meeting held in December 2012;
- the Departmental Staff User Group had its first meeting in November 2012;
- the Parliamentarians User Group's first meeting is scheduled for mid- February 2013;
- membership is being finalised for the Parliament Staff User Group; and
- the new position of CIO was created and filled from 22 October 2012.

Work has also commenced on establishing a One-Stop-Shop, to be fully operational for the commencement of the 44th Parliament following the 2013 general election. Development of the parliament-wide strategic plan has commenced. At its first meeting PICTAB agreed in principle to a set of strategic themes around which the plan will be finalised in 2013.

The relationship between the Security Management Board (SMB) and PICTAB has been agreed such that SMB will oversee the detail of ICT Security policy implementation and PICTAB will take more of a strategic view looking at overall trends in ICT security. Recruitment of an ICT security advisor will commence in early 2013 to remove DPS' current dependence on contractor support.

Recommendation 22 - 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.

Response

DPS supports this recommendation.

DPS and Department of Finance and Deregulation (Finance) are currently working on transferring the responsibility for multifunction and mobile devices such as Blackberries. The Special Minister of State has asked Finance to (legislatively) change the entitlement to agnostic technology prior to the transfer to DPS. Once this is done and the Presiding Officers have accountability for the determination to approve purchases, the costs of those items and usage will become DPS' accountability.

Budget considerations

General comment

While noting poor management of resources by DPS in the past, the Committee expressed concern at the continued imposition of the efficiency dividend on the Department at a time when the Parliamentary workload has increased. At particular risk is the ability to fund adequate maintenance for the building and maintain service levels to the Parliament in the face of rising demand and increasing salaries and fixed costs.

DPS is committed to managing within its budget and working within Government Budget rules in seeking to meet rising costs. Following a funding decrease as a consequence of amalgamation, the operational appropriation for DPS for 2012-13 (of \$101 million) has returned to about the same level as that of the combined appropriations of its three predecessor departments in 2003-04. DPS has suffered a decline in its purchasing power as CPI has continued to grow over the same period. For 2012–13, DPS has to find \$4.6 million in savings as follows:

- \$1.6 million for the 1.5% efficiency dividend;
- \$2.6 million for the 2.5% “one off” efficiency dividend, and
- \$0.4 million for the Mid-year Economic and Fiscal Outlook (MYEFO) efficiencies.

Key sources of cost pressure for 2012-13 are increases to staff salaries based on the Enterprise Agreement, rising energy costs, increased Comcare premium, conduct and implementation of external reviews (such as the Roche ICT review) and various HR costs including redundancies not budgeted for.

DPS is reviewing all elements of its budget from both an expenditure and revenue perspective to ensure it is operating as efficiently as possible. This analysis will be overlaid with robust cost projections in order to accurately determine the ongoing capital and recurrent funding needs of DPS so that it can fulfil its obligation to support the operation of Parliament and its management of an iconic public building.

Recommendation 23 - The Committee recommends that the Commonwealth exempt the Department of Parliamentary Services from any future one-off, additional efficiency dividends.

Response

While this recommendation is for the Government to respond, DPS supports in-principle, the examination of alternative funding models such as those canvassed in the Report. Furthermore, given the important visitor role undertaken by DPS on behalf of the Parliament that is comparable to that of Cultural Institutions exempt from the efficiency dividend, DPS also supports its exemption of from the efficiency dividend. It is noted that DPS does not have the flexibility that exists within large government agencies to absorb efficiency dividends. Finally, given its core role to support Parliament, DPS should be treated in the same way to the Chamber Departments which have been made exempt from the additional efficiency dividend.