

# **Chapter 10**

## **Conclusions and recommendations**

### **Introduction**

10.1 By its nature, the committee's inquiry, and the submissions received, focussed on the deficiencies and failures of the Department of Parliamentary Services. However, the committee would like to acknowledge the contribution made by the vast majority of DPS staff members in undertaking their roles within the department. These staff are exemplified by their professionalism, their dedication to the support of the Parliament and their commitment to preserving Parliament House and its contents for the next 175 years and beyond.

10.2 However, it is obvious that some decisions made since the establishment of DPS have not provided a sound, long-term strategic approach to the management of Parliament House. In addition, the committee considers that the department has lacked strong leadership and vision. Poor employment practices have been allowed to flourish and become entrenched and projects have been undertaken which have threatened the design integrity and heritage values of Parliament House.

10.3 This chapter draws together the evidence presented in the previous chapters and provides the committee's conclusions and recommendations on its inquiry into the performance of the Department of Parliamentary Services.

### **Accountability and transparency**

10.4 As noted in chapter 9 of this report, the Presiding Officers have joint powers in administering DPS. The committee notes the primary and ultimate authority that the Presiding Officers have in the administration of the Parliament through the *Parliamentary Service Act 1999*.

10.5 A range of bodies advise and assist the Presiding Officers in most aspects of the work of DPS. However, to a large extent the Presiding Officers, and indeed the bodies assisting and advising the Presiding Officers, rely on the senior executive of DPS to have the capability, the expertise and the commitment to act in a way so that informed decisions can be made and the Parliament is kept fully apprised of matters affecting the services provided by DPS. The committee noted in its interim report that this has not always been the case: DPS provided the President with answers to questions on notice in relation to the heritage assessment of the billiard tables which contained misleading information.

10.6 The committee is firmly of the view that many of the problems identified during its inquiry have arisen because of lack of adequate oversight of the actions of DPS. The committee does not in any way wish to diminish the progress already made by the new Secretary in restructuring the department and strengthening internal processes. However, the committee considers that for too long the stewardship of Parliamentary assets, the maintenance of the design intent of the building, the provision of vital services to the Parliament and the strategic direction of DPS have been poorly monitored by the Parliament.

10.7 The committee acknowledges that work is underway in many areas to enhance transparency, increase accountability and improve the provision of information. In this regard, the committee points to both the implementation of the Roche Review recommendations which will address key issues with the provision of ICT services and the development of a conservation management plan. However, there are deficiencies in other areas, including performance reporting, transparency in reporting on the condition of the building and project management, which still need to be addressed. These areas are detailed below.

10.8 The committee considers that it is only because of the discovery of the inappropriate sale of the billiard tables from the Staff Recreation Room in 2010, and the subsequent committee inquiry, that real change is taking place in DPS. However, the committee remains concerned that, along with these changes, a new mechanism for the continuing oversight DPS must be implemented.

10.9 The committee believes that the Parliament needs to be better informed about the actions of DPS, the provision of services by DPS and the maintenance of the building and its contents. In addition, the Parliament needs to be confident that DPS has a clear understanding of its goals and responsibilities in relation to stewardship and service provision as well as DPS being adequately and appropriately staffed.

10.10 The committee notes that while senators and members are members of various advisory boards and committees, there is no one overarching parliamentary committee providing oversight or advocacy for DPS. The committee notes that the Senate Appropriations and Staffing Committee and the House Appropriations and Administration Committee consider administration and funding of the respective chamber departments. The committee considers that these two committees, acting as a joint committee in relation to DPS, could consider the administration and funding of DPS, including considering estimates of funding required and determining amounts for the inclusion in the annual and additional appropriation bills.

10.11 The House standing orders already provide for the House Appropriations and Administration Committee to confer with the Senate Appropriations and Staffing Committee. However, no similar provision is contained in the Senate standing orders for the Senate Appropriations and Staffing Committee and an amendment to the standing orders will be required for the committees to meet jointly. The committee recommends that the Presiding Officers implement this arrangement.

### **Recommendation 1**

**10.12 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.**

### **Employment issues in DPS**

10.13 The committee considers that the employment culture within DPS is less than exemplary for a parliamentary department. The committee has received evidence which pointed to wide spread bullying and/or harassment. This evidence has been

supported by the CPSU staff survey, the Comcare audit and the 2011 ORIMA staff survey. The results of those surveys are damning: the ORIMA survey reported that nearly a quarter of DPS staff indicated that they had suffered bullying and/or harassment and around one-third of staff reported that they had witnessed such behaviour. The CPSU survey indicated that a third of respondents had experienced bullying while the Comcare audit found only 31 per cent of staff were confident to speak up about bullying and less than half of the respondents felt that the incidence of bullying in the department was taken seriously by management.

10.14 Worryingly, only 20 per cent of staff who had experienced bullying and/or harassment indicated that they had reported it. The committee believes that this lack of reporting reflects perceptions by staff that reports of bullying were not dealt with in a satisfactory manner and that the fear that reporting inappropriate behaviour may lead to further victimisation or be detrimental to career progression.

10.15 The CPSU argued that DPS management was defensive in relation to concerns about bullying and harassment. The committee would go further and considers that the management of DPS was responsible for fostering a toxic work environment. The 2009 staff survey clearly showed high levels of bullying and harassment. However, it appears that DPS made little attempt to address this issue in an effective manner as a later staff survey in 2011 again produced very worrying results in relation to bullying and harassment.

10.16 The staff survey findings point to the lack of importance placed on this issue by DPS management. This was exemplified by comments at estimates hearings that some incidents of bullying were not evident until being reported in staff exit interviews. The committee finds this very difficult to understand given the results of the 2009 staff survey and the issue being raised regularly by the CPSU. It is obvious that DPS management made little, if any, effective attempts to address this very disturbing situation.

10.17 Such lack of leadership was underscored by the results of the 2011 staff survey with few staff expressing confidence in the DPS senior management team (the Secretary, the Deputy Secretary and the Parliamentary Librarian). What was of considerable concern was that only 36 per cent of staff felt that senior management exemplified personal drive and integrity and only just over half (55 per cent) felt that they acted in accordance with the Parliamentary Service Values and Code of Conduct. The committee has already stated in its interim report that the Parliament should be able to expect only the highest levels of conduct in the parliamentary service; the leadership that has been the norm in DPS for some time is far from what the Parliament expects.

10.18 The committee welcomes the statements of the new Secretary, Ms Carol Mills, in relation to staffing issues including bullying and harassment and looks forward to sustained leadership on this issue and improved processes to address unacceptable behaviour in DPS.

## **Recommendation 2**

**10.19 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.**

## **Recommendation 3**

**10.20 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.**

## **Recommendation 4**

**10.21 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.**

## **Recommendation 5**

**10.22 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.**

10.23 Other employment matters examined by the committee also pointed to undesirable practices including nepotism, patronage and the influencing of selection processes. While DPS provided information which appears to counter claims in relation to some cases of nepotism brought to the committee's attention, it is disturbing that this perception has grown amongst DPS staff and is regularly stated as fact. This points to the lack of employee confidence in selection processes within DPS.

10.24 The committee considers that DPS should work to improve selection processes through ensuring that staff involved in recruitment undertake training, that processes are reviewed regularly and appropriate tools such as templates are available to selection panel members. The committee notes that the Merit Protection Commissioner may establish independent selection advisory committees to fill vacancies at the job classification levels of APS 2 to 6. The use of independent selection advisory committees:

...provide streamlined, cost-effective and timely merit-based selection processes. They can be used for selection processes of any size but are especially useful for large or sensitive processes where the maintenance of

good workplace relations may be placed at risk if the process is not seen to be independent and impartial.<sup>1</sup>

10.25 The committee considers that DPS may wish to consider approaching the Merit Protection Commissioner to establish such panels as a way of re-establishing confidence in DPS recruitment practices.

### **Recommendation 6**

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

### **Recommendation 7**

**10.27 The committee recommends that the Department of Parliamentary Services ensures that all staff 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.**

### **Recommendation 8**

**10.28 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.**

### **Recommendation 9**

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

10.30 A further indicator of the employment culture in DPS is found in workforce trends. The committee notes increased use of non-ongoing employees, high turnover rates and low satisfaction with work-life balance in DPS. The change in the DPS workforce, in part, reflects the tighter fiscal environment and restructuring of various branches in order gain efficiencies. It appears that some of this restructuring has had an adverse impact on DPS employees with evidence of increased workloads and decreasing availability of resources. This has led to concerns about the health and welfare of staff and the incidence of stress-related illness and overuse injuries.

10.31 The committee considers that the responses received from DPS in relation to workforce trends and their effect on employees were less than adequate and reflect little attempt to provide a rigorous analysis of issues. The committee therefore considers that it would be of benefit if a further analysis of workforce trends is undertaken to identify any underlying causes so that action can be taken to mitigate their impact.

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1 Australian Public Service Commission, <http://www.apsc.gov.au/merit/independent-selection-advisory-committees>

### **Recommendation 10**

**10.32 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.**

### **Recommendation 11**

**10.33 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.**

10.34 The committee is mindful that the inquiry has cast many employment practices in DPS in a less than favourable light. Media coverage has also focussed on the deficiencies of the past. If DPS is to move forward, it must attract appropriately qualified staff. Improvements in processes and the new structure being implemented by Ms Mills will go far in improving the image of DPS. The committee also considers that the Secretary has a role in promoting DPS as a positive working environment and the importance of serving the Parliament and supports any actions she may take in this regard.

### **Heritage management of Parliament House**

10.35 In 2013, Parliament House will be 25 years old. As Mr Giurgola explained, the building is neither so very new that change will be resisted nor so old to be innately and widely valued for considered, careful preservation. Indeed, the committee is very concerned that inadequate attention has been paid in the recent past to design integrity and heritage management in Parliament House.

10.36 The building will inevitably be subject to change over its lifespan, nevertheless the committee considers that the preservation of the overarching design integrity, the intricate symbolism and the vision of the building as the symbol of Australian democracy must be held central in any plans to alter the building. While some changes to the building and in the precincts require approval of the Parliament and/or the National Capital Authority, work within the building does not require either of these approvals.<sup>2</sup> In effect, the responsibility for the vast majority of change to the building, and the maintenance of heritage values, has been left to DPS.

10.37 The committee considers that DPS has not undertaken this important role to the standard required by the Parliament, with the building being subject to many largely unchecked decisions relating to architectural changes, configuration, design, décor, furniture selection and disposal. There has been a lack of proper regulated heritage assessment policies and a misunderstanding of the intrinsic value of some items to the building and overarching design integrity. The committee points to

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2 The *Parliament Act 1974* provides that no work is to be erected on land within the Parliamentary Precincts unless the Presiding Officers table a proposal for the work in each House and the proposal is approved by resolution of each House. The *Australian Capital Territory (Planning and Management) Act 1988* provides that no works, including construction, alteration, extension or demolition of buildings or structures, can be undertaken in the Parliamentary Zone without the approval of the National Capital Authority.

projects, such as the Staff Accommodation project, which have undermined key elements of the design integrity of the building and the House of Representatives Chamber Enhancement project where the tensions between heritage management staff and project staff were pronounced.

10.38 It is apparent from the evidence viewed by the committee that, when design integrity issues have been raised by relevant staff in DPS, these issues have often been ignored or overridden by other concerns such as cost and project timing needs. Similarly, when design integrity issues have been raised by the building architect, Mr Romaldo Giurgola, it appears that DPS did little to adequately consider these concerns. In the case of the Staff Accommodation project, the timing of the notification of Mr Giurgola was so late that DPS had no choice but to proceed with the project as originally envisaged despite Mr Giurgola's grave concerns. The committee believes that this has contributed to degradation of heritage values in some areas of Parliament House and should not have occurred.

10.39 Generally, the committee has also found that DPS's consultations with the building architect have been less than satisfactory, and could even be viewed as disrespectful, dismissive and contravening the requirements of the *Copyright Act 1968*. In addition, the committee considers that Mr Giurgola has continued, despite difficulties, to provide DPS with constructive input to projects. Often this appears to have taken a great deal of his time and has been provided without charge to DPS. The committee welcomes Ms Mill's commitment to changing the style of engagement with Mr Giurgola and looks forward to a significant improvement in the relationship between DPS and Mr Giurgola, and, indeed, all moral rights holders.

10.40 The committee considers that the Parliament should recognise Mr Giurgola's contribution to Parliament House not only for his initial design of the building but also his continuing role in the maintenance of Parliament House as the symbol of Australian democracy. In addition, recognition should be given to all those who were involved in the planning, design and construction of the building.

## **Recommendation 12**

**10.41 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.**

10.42 The committee also notes a significant shift in the way in which DPS intends to approach its responsibility for the building: Ms Mills indicated that a heritage type approach would be taken to planning and the overarching design of the building.<sup>3</sup> Ms Mills also indicated that under the new structure for DPS a position to oversee management of the building has been created. Ms Mills commented that, as one of the

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3 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Committee Hansard*, 30 October 2012, p. 6.

'most important and iconic working and public buildings in the country', Parliament House needs an appropriate level of strategic and operational focus.<sup>4</sup>

10.43 The committee welcomes this approach. It contrasts to that prevailing previously in DPS management where heritage and design integrity concerns were apparently often dismissed or downgraded and it appears that important decisions have been made by inexperienced and/or inadequately qualified staff.

10.44 As part of this move to a heritage approach, the committee notes that DPS is developing a conservation management plan (CMP) for Parliament House with the assistance of an expert advisory committee. This is a very significant development and the committee sees the CMP as a means to strengthen the maintenance of the heritage values of Parliament House. It will also address concerns raised in evidence about the lack of rigor in the Parliament House Heritage Management Framework and the lack of consultation with heritage experts in the formulation of the Framework.

10.45 One of the major areas of concern exposed by the inquiry is the lack of transparency in DPS's management of the building. There are various mechanisms currently in place which require DPS to consult and/or inform both the Presiding Officers and committees or advisory groups. For example, the Joint House Committee was briefed on the Staff Accommodation project. However, the committee is doubtful that the briefing would have included design integrity considerations such as alterations to the use of the space. Indeed, DPS did not even consider that moral rights consultations were required for this project.

10.46 The Parliament also relies on annual reports and Senate estimates processes to oversight the operations of DPS. Analysis of DPS annual reports points to a lack of transparency and lack of information about projects being undertaken. The annual reports have not contained a frank assessment of performance, or indeed adequate information to make any assessment of performance, and are therefore of little use in ensuring accountability. The committee welcomes Ms Mills's commitment to improving the quality of DPS annual reports and will closely monitor them in the future.

10.47 The performance of DPS officers during estimates has also been far from satisfactory. The committee found senior officers less than forthright with their answers. In many instances, the information provided was confused, inaccurate and, in relation to the billiard tables, misleading. The committee is unsure whether this was a planned response to undermine committee processes, to cover up mistakes or a reflection of poor leadership skills. Committee members have had to pursue some matters over a number of estimates rounds in order to try to gain an accurate picture of events. Even so, the committee suspects that the information provided is not true or accurate reflection of DPS processes and dealings and that more intensive investigations would be required to get to the bottom of some matters.

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4 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 24.



10.48 The committee considers that it has not been possible in the past for the Parliament to rely on the information provided by DPS to accurately gauge the performance of the department in relation to range of matters, most particularly heritage management of Parliament House. The committee has no doubt that the structures being developed, and the changes implemented, by Ms Mills will improve this aspect of the work of DPS. However, the committee considers that there are other avenues to ensure greater transparency of matters related specifically to the building and its contents. In this regard, the committee believes that the Presiding Officers should table a biennial report devoted to the building and its preservation and use. Such a report should include a frank assessment of the condition of the building and its contents, costs of upkeep of the building, alterations undertaken or proposed, heritage concerns and any other related matter so as to fully inform the Parliament and the public about the building.

### **Recommendation 13**

**10.49 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.**

10.50 The committee is concerned that the Parliament has not taken an adequate role in overseeing developments in the building. The committee considers that a biennial report specifically about the building will assist in addressing this matter. However, the committee is also concerned that the Parliament has not ensured that the governance arrangements for DPS are such that it can be confident that a clear vision for the preservation of the building will continue in the long term.

### **Maintenance and project management**

10.51 The inquiry has examined in detail a number of project and maintenance practices undertaken by DPS in recent years. The committee has already addressed the adequacy of consultations with moral rights holders, particularly Mr Giurgola. However, other areas of concern have been identified:

- there was a pattern of disregard for design integrity and the input of heritage management staff;
- turnover of staff has resulted in inexperienced project staff supervising major alterations to the building;
- there is a lack of in-house technical expertise within DPS;
- the building is not compliant with the Building Code of Australia and there are significant concerns regarding fire safety;
- poor initial planning has required revision of work, for example changing Parliament Drive into a one-way road;
- inadequate attention to access requirements, for example disability access in basement public car park during security work; and

- DPS does not provide adequate information in order to assess whether projects are completed within original budgets.

10.52 The committee notes Ms Mills's comments concerning the loss of technical expertise. However, it is apparent that the loss of specialist staff is a significant issue particularly in relation to fire safety and project management. It appears to the committee that poor project management has resulted in additional costs being incurred through revision of work that is not compliant with standards such as road safety and disability access. The committee also notes comments in the end of project report for the Staff Dining Room project that indicated that costs increased because work that was not compliant with design integrity had to be redone. The end of project report also pointed to potential dangers to workers because of lack of accurate documentation and non-compliance of previous construction work. The committee considers that DPS should undertake capability reviews in technical areas such as fire safety, engineering services, design integrity and project management in order to ascertain whether DPS has the correct skill set in staff to adequately maintain the building and provide DPS management with appropriate advice.

#### **Recommendation 14**

**10.53 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.**

10.54 The committee is also concerned that the loss of specialist staff has resulted in systems such as the fire safety system and building documentation not being updated. This is a significant concern and may pose a significant danger to building occupants and those who undertake construction work in the building.

#### **Recommendation 15**

**10.55 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.**

10.56 The committee considers that DPS has also not been transparent about costs of projects and maintenance of the building. In relation to the final costs of projects, the committee found that the information provided in the annual report was meaningless. All projects are reported as meeting the target of 100 per cent in relation to completing within 'approved' budget. This does not show whether the project met or was under, within, or over, the initial estimate. The committee notes that the new website project was initially estimated to cost \$1.15 million but the final cost was \$3.1 million and is now being upgraded again at a cost of 'some hundreds of thousands'. Were it not for questioning at estimates, the Parliament would not have been informed of this significant increase in costs.

10.57 The committee recognises that the building contains many unique and custom built elements. To replace these assets, or to ensure that new work meets the original standard, will no doubt add to costs but to do so may save expenditure in the future. DPS, in its submission, implied that additional costs to meet Parliament House standards was precluded by the *Financial Management and Accountability Act 1997*.

The committee does not agree with this view. Rather, careful consideration will need to be given to what can be achieved given the present budget constraints. If the DPS appropriation is inadequate to ensure the maintenance of the building and its contents, the committee does not believe it is for DPS to undertake action that may diminish the design integrity of the building. Rather, the Parliament must be fully informed of the consequences of any lack of adequate funding to maintain the building at the appropriate standard as well as the long-term effects on design integrity and heritage values.

## **Recommendation 16**

**10.58 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.**

## **Asset management**

10.59 The committee has detailed the disposal of items of heritage and cultural value in both its interim report and this report. While changes to DPS disposal practices are welcome, this has occurred only after the loss of some significant items including the billiard tables and Bertioia chairs. The committee also considers that there may have been many other items disposed of inappropriately in the past, because of the lack of rigorous practices in DPS, which have not been identified. Such practices display a cavalier attitude to the concept of stewardship of assets on behalf of the Parliament—these were not DPS assets, rather, they were Parliamentary assets and should have been treated as such.

10.60 A major outcome the committee's inquiry has been changes to DPS asset management policies and practices. These include changes to the policy for the disposal of public property which make clear the requirements for disposal of assets both on the Parliament House Art Collection database and those that are not but which may nevertheless have cultural or heritage significance. Ms Mills provided the committee with an example of a recent disposal which was undertaken using the new policy. This is a welcome development. However, the committee reasserts that DPS is the steward of items on behalf of the Parliament and the people of Australia; the disposal of administered and heritage items is the antithesis of preserving them for the future. In addition, the committee considers that any disposal policy will only be effective if all those undertaking disposal processes possess a sound understanding of what constitutes 'possible heritage or cultural value' and a continued awareness of the importance of items to the Parliament and the building.

10.61 The committee notes the development of the list of new assets of heritage or cultural value that has been established and a review and validation of this list will be undertaken by an independent consultant. This is a significant improvement. However, the committee considers that the process of adding new items to the list must continue into the future.

10.62 One area that the committee received little evidence was in relation to the Parliament House furniture collection. The committee notes that the Parliament House

Heritage Management Framework includes the furniture collection. The committee believes that furniture should be treated as other art and crafts works in Parliament House. The committee therefore considers that it would be beneficial if a full audit of the status A and B furniture be undertaken in relation to condition, conservation measures, use of and disposal of that furniture.

### **Recommendation 17**

**10.63 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.**

### **Contract management**

10.64 The information provided in relation to contract development and management in DPS is concerning. The committee acknowledges that some of these contracts were inherited from the Joint House Department and have therefore been in place for many years. However, more recent contracts seem to be equally problematic; for example, cost overruns on the new Parliament House website being blamed on the vendor's lack of understanding of the complexity of the system and security issues. The website is now undergoing a further upgrade at substantial cost only eight months after being launched. The committee considers that this points to more fundamental problems in the initial contract stages including poor consultation with stakeholders, and the possibility that the development of requirements and contract negotiations were undertaken by inexperienced or inadequately qualified staff. The committee anticipates that, in relation to general IT issues, the appointment of the Chief Information Officer will bring greater focus on, and a higher standard of delivery of, all IT services.

10.65 The evidence received in relation to both project construction and service contracts is also disturbing. In relation to the Staff Accommodation project, the End Project Report commented on the lack of liquidated damages clauses, that DPS could not enforce time restrictions and that the contract did not allow DPS to stop the contractor changing the construction crew as the project neared completion causing the project to suffer. The limited information provided regarding the cleaning and catering contract also points to poor contract implementation and management. The committee considers that DPS should look to revising the way in which it negotiates and manages contracts including the type of legal assistance received, the engagement of experienced contract negotiators, and the performance management regime included in contracts. DPS should also ensure that staff are adequately trained and have the appropriate skills in contract development and management, for example through training provided by the Department of Finance and Deregulation.

## **Recommendation 18**

**10.66 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.**

10.67 The committee believes that it would be beneficial for DPS to approach the Auditor-General to seek assistance in reviewing contract development and management including contracts already in place pursuant to section 20 of the *Auditor-General Act 1997*. Section 20 of the Act provides:

- (1) The Auditor-General may enter into an arrangement with any person or body:
  - (a) to audit financial statements of the person or body; or
  - (b) to conduct a performance audit of the person or body; or
  - (c) to provide services to the person or body that are of a kind commonly performed by auditors.
- (2) An arrangement may provide for the payment of fees to the Auditor-General. The fees are to be received by the Auditor-General on behalf of the Commonwealth.
- (3) The Auditor-General must not perform functions under this section for a purpose that is outside the Commonwealth's legislative power.

## **Recommendation 19**

**10.68 The committee recommends that the Department of Parliamentary Services review the way in which it develops and manages contracts.**

## **Recommendation 20**

**10.69 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.**

## **Security arrangements**

10.70 The committee's review of security at Parliament House canvasses security projects, restructuring of the PSS and breaches of security. The committee acknowledges that Ms Mills quickly instituted a review after the breach in August this year. However, the committee considers that there still remain areas of concern with the security arrangements at Parliament House:

- reliance on expensive security 'enhancement' projects which appear to have been implemented with little consideration for design integrity issues;
- construction of security enhancements which do not comply with access requirements or traffic requirements;
- lack of systems to track visitors within Parliament House; and
- changes to PSS roster arrangements which appear to be based solely on cost saving rather than more effective security arrangements.

10.71 The committee also notes the increase in numbers of photographic security passes issued over the last 12 months and considers that a review of the criteria for the issue of passes is warranted.

#### **Recommendation 21**

**10.72 The committee recommends that the Security Management Board review the criteria for the issue of photographic security passes for Parliament House.**

#### **ICT issues**

10.73 The committee notes that DPS is now responsible for IT for parliamentarians' electorate offices. This is a welcome development and the committee considers that many problems experienced in the past due to fragmentation of the provision of services will be addressed. The committee also believes that the implementation of the recommendations of the Roche review, including the creation of the position of Chief Information Officer in DPS, will significantly improve the provision of ICT services to the Parliament. However, one matter still outstanding is the Department of Finance and Deregulation's retention of responsibility for multifunction and mobile devices such as BlackBerries. The committee acknowledges that discussions have commenced with the Special Minister of State for the transfer of this responsibility. However, the committee considers that, as a matter of priority, arrangements should be completed for the transfer of all ICT equipment to DPS.

#### **Recommendation 22**

**10.74 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.**

#### **Budget considerations**

10.75 The committee is concerned that, in the current tight fiscal environment, DPS may find it difficult to ensure that adequate maintenance and asset replacement is undertaken. The committee is also concerned about the continued increase in workloads due to Chamber and committee activity and the effect on staff delivering services to Parliament. The committee notes that the Government has provided additional funding to DPS in recognition of increased activity of the House of Representatives and its committees.

10.76 While the committee is mindful of poor management of resources in the past, the continued imposition of the efficiency dividend on DPS is of concern. The committee notes that certain cultural institutions and courts and tribunals were exempt from the additional 2.5 per cent efficiency dividend imposed in 2012–13. The committee considers that DPS should also have been exempt.

#### **Recommendation 23**

**10.77 The committee recommends that the Commonwealth exempt the Department of Parliamentary Services from any future one-off, additional efficiency dividends.**

10.78 In addition, the committee considers that DPS should actively pursue discussions with the Department of Finance and Deregulation concerning the funding requirements to ensure that DPS can maintain heritage values in all areas of Parliament House. Further, the committee considers that the Presiding Officers should keep the Parliament apprised of the outcomes of these discussions.

10.79 The committee also considers the need to seek funding from Government for the Parliament is a matter which requires review. There is a need to ensure that the budget for DPS is such that services required by the Parliament are sustainable in the long term. The committee considers that it is time for further deliberations on the appropriate model of funding for DPS.

10.80 Finally, the committee would again like to thank all those who made submissions or appeared before the committee during this inquiry. The committee would also like to acknowledge the assistance provided in the latter half of the inquiry by the new Secretary of DPS, Ms Carol Mills.

**Senator Helen Polley**  
**Chair**





