



Parliament of Australia
Department of Parliamentary Services

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Mr Terry Moran AO
Chair
Advisory Group on Reform of Australian Government Administration
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600
reformgovernment@pmc.gov.au

Dear Terry and colleagues

Submission on Reform of Australian Government Administration—from the Department of Parliamentary Services (DPS)

I understand that the primary focus of work for your Advisory Group will be on the mainstream Australian Public Service. However, there are other smaller but vital sectors of Australian public administration; one of these is the Parliamentary Service.

Your review process will achieve maximum benefit if it can recognise the issues and needs of the Parliamentary Service and other smaller sectors, as well as those of the larger Public Service.

The purpose of this submission is to provide background information about the Department of Parliamentary Services, and to identify some key issue which are relevant to your review. *For convenience, I have italicised those paragraphs within the letter where we make our key suggestions.*

Background

To set the scene, Parliament House Canberra is the home to the nation's Parliament, including the two Chambers and an extensive Committee system. During sitting periods, Parliament House is the workplace for some 3,500 people (including Ministers, Parliamentarians and their staff, Press Gallery, lobbyists and the staff of the three Parliamentary departments).

During non-sitting periods, Parliament House is the workplace for around 1,700 people.

In addition, Parliament House receives some 860,000 visitors per year, including foreign tourists, domestic tourists and over 100,000 students. This makes us the second largest tourist destination in the ACT, after the War Memorial.

The operations of Parliament and Parliament House are supported by three Parliamentary Service departments, comprising the two chamber departments and the Department of Parliamentary Services.

The specific mission of DPS is “to serve the Australian people by supporting the Parliament and caring for Parliament House”. This requires the contribution of some 900 staff with a diverse range of expertise. Specific roles are set out below. We also use contractors to provide some of the services such as catering and cleaning, and to deliver our capital works programs.

Our staff are engaged in the following lines of business:

- (a) Library and research services;
- (b) Parliamentary records services (including Hansard and broadcasting);
- (c) Information and communication technology services;
- (d) Security services;
- (e) Building and accommodation services:
 - (i) catering, health and recreation, cleaning services
 - (ii) heating, cooling, energy, water and waste
 - (iii) art services
 - (iv) building maintenance and landscape services
- (f) Visitor services, including events and community engagement; and
- (g) “Parliamentary service” support, including:
 - (i) project management, procurement and overseeing capital works delivery; and
 - (ii) Finance/HR/OHS/governance/strategy.

During a non-sitting week there are staff working in retailing, heritage preservation and landscaping to name just a few activities. In a parliamentary sitting week and for major events the number of DPS staff and contractors swell as casuals, sessionals and other staff are brought in to handle the surge in workload.

DPS has an annual expenditure of around \$130 million, including capital investments of around \$25 million. The building is valued at approximately \$1.9 billion.

Parliamentary vs Public service

There are three significant differences between the Parliamentary Service and the Public Service.

Firstly, the powers of obligations of Parliamentary Service departments derive primarily from the Parliamentary Service Act, not the Public Service Act. There are many similarities between the two Acts, including strong expectations about ethical behaviour. However, there are also some key differences. Notably, the primary obligation of Parliamentary Service employees is to serve the needs of the Parliament, rather than the Government of the day. We discharge this obligation under the direction of the Presiding Officers of the Parliament, namely

the President of the Senate and the Speaker of the House of Representatives. The Presiding Officers are not members of the Cabinet.

Secondly, Parliamentary Service departments are, by their nature, primarily service focused. They are not policy development agencies. The mission of DPS recognises this focus.

An agency such as DPS needs to attract, develop, and retain staff who are strongly committed to day-by-day service delivery, and project delivery. Furthermore, many of these staff need to have particular skills and qualifications. For example, our library research staff typically require graduate and post-graduate qualifications and detailed knowledge of particular segments of government, business and foreign relations. Another example would be our Hansard staff who need excellent reporting skills and an understanding of parliamentary process. A third example would be our various IT groups, including staff who assist Parliamentarians with their present IT needs. A final example would be various operational roles for which trade qualifications are essential.

This spectrum of skills and personal attributes is very different from that required for effective policy work in a central Public Service agency.

We suggest that the review needs to recognise the need to “attract, develop and retain” the wide spectrum of service-focused staff who are vital to the Parliamentary Service (and much of the Public Service). We also suggest that the review recognises the need to attract and retain staff with specific skills.

Thirdly, staff within the Parliamentary Service have a significant degree of interaction with Senators and Members, and there is a high level of expectation that come from working so closely with these clients. Staff at all levels engage directly with Senators and Members and need to be aware not just of their role in providing service, but also of the particular requirements of impartiality, confidentiality and the need to provide services on basis of equality of access. These direct pressures are not always as explicit or evident for the Australian Public Service (APS).

We also note that at times there is a surprising lack of understanding about the differences (between the APS and the Parliamentary Service) by staff in the APS, even at very senior levels.

We suggest that your review recognise that the primary or “pre-eminent” client for Parliamentary Service staff is not the Government of the day, but the Parliamentarians of the day. A similar comment may be applicable to other public sector groups.

We also encourage the development of a broader understanding of the roles of parliament and the executive, perhaps through measures such as staff exchange.

The Immediate Financial Challenge

Over the last nine years, operating funding for DPS has become more and more constrained. Specifically, since the year 2000, CPI has increased by around

31%, whilst our operating funds from government have only increased by 2.5%. This is illustrated in *Fig 1*.

DPS has instigated various productivity measures and cost savings to allow the Department to operate within available funding levels. To date, we have made most of these savings without compromising core services to the two Chambers and the Committee system, but we are confronted by a very difficult future outlook.

For 2009/10 we need to find some \$4.5 million of savings to offset increased supplier costs and increased salary costs. Unless further funding is provided for 2010/11 and beyond, we will be confronted by similar savings requirements for future years; the savings measures we will need to implement will have more and more effect on the operations of Parliament.

Moreover, it is very desirable to make a bigger investment in security measures (over and above current levels).

Over time, the “mix” between in-house service provision and contractual service provision has been changing, thus achieving some cost savings. Further changes in the mix between in-house and contract services are likely to be required over the next few years. However, these types of changes will not be sufficient in themselves to overcome the problems of a very constrained budget outlook.

In the last two years we have submitted bids to Government to augment our budget for normal operations, and in relation to security. If the current bids are not successful, we will need to be extremely frugal for 2010/11 and beyond, with levels of service progressively falling below acceptable levels. Clearly, staff morale is affected by this outlook.

We understand that the two chamber departments have similar concerns about budget history and budget outlook.

We understand that your Advisory Group is not the Treasury or the Department of Finance, but we request that you recognise the pressures on service delivery and morale when budgets are effectively shrinking every year.

Longer-term Challenges and a Strategic Plan

Notwithstanding the immediate budget outlook, the Advisory Group will be pleased to learn that DPS middle and senior officers have been actively thinking and planning for the future of Parliament.

For example, over the last eight months DPS has focused on identifying the future challenges for providing services in the Parliament, primarily through five internal DPS task groups.

The task groups worked on the following issues:

- (h) Customer/client focus;
- (i) Improving our productivity;
- (j) Workforce development;

- (k) Environmental performance; and
- (l) Renewal and modernisation.

Other inputs that have been important for our planning include a recent staff survey, a customer satisfaction survey, and some “forward thinking” by the Research Branch of the Parliamentary Library.

As a result, we have developed a possible “situation report” for 2029, which is summarised in *Fig 2*.

While these issues will have much in common with pressures in the APS, there are demands in a parliamentary environment that mean that we must be quickly responsive to emerging technologies and community expectations.

We are now finalising a Strategic Plan to guide DPS in responding to the situation report. This Strategic Plan will take a “20 year view” of the world, but will also include specific actions over the next 3 years. We could provide a copy of this plan to your officers in early 2010.

Collaboration with APS agencies

The three parliamentary departments work very closely together. Moreover, we are moving to increase the level of shared services. A key early “initiative” is for the DPS payroll function to be provided by the Department of the House of Representatives. We expect to have this shared service in place in autumn 2010, and will also seek to identify other shared service opportunities to improve efficiency.

In contrast, collaboration with the APS in terms of services is less common, although the Department of Finance and Deregulation is a very important partner in supporting the offices of Senators, Members and Ministers.

Other agencies are very important in terms of providing information to the Parliamentary Library, and in coordinating activities in Parliament House. We note that the Library has expressed concerns that government is making less information available online in a submission to the Government 2.0 Task Force.

Further to our earlier comments about the Parliamentary vs Public Service, we encourage greater collaboration to develop knowledge and skills in APS staff about Parliament, and to enable more effective policy development for decisions that affect the Parliament.

Employment Arrangements

Over recent years there has been robust debate about the merits or otherwise of agency-by-agency employment conditions as against “Whole of Service” employment conditions.

We clearly recognise that the agency-by-agency model has led to some unfortunate problems, notably in relation to “unequal” remuneration for similar work. From this perspective we would endorse a change to more consistent remuneration and employment conditions for people undertaking “like work”.

However, we also believe that it will be very unwise to create a single employment template for the whole public sector. Our primary concern is that agencies such as DPS need to be able to attract, motivate retain “service-focussed” staff, including professionally qualified staff, trade staff and others. The expectations and needs of these people will be very different to those in policy roles for a central agency.

We request that the advisory group advise on mechanisms to reward staff on a consistent basis, but which also recognise the very different nature of many tasks and skills across the broad public sector.

Summary

The Reform of Australian Government Administration Advisory Group has a very important task. There are major challenges ahead for the APS and for the Australian Parliamentary Service.

Our analysis of future needs suggests that the expectations of high levels of integrity and confidentiality in delivering services to Senators, Members and their staff will continue. Demands to be more responsive in supporting new technologies and managing efficiently are likely to increase. Delivering improved services within a shrinking budget will be difficult.

In such an environment collaboration across the parliamentary departments is vital. Collaboration with the APS is also critical and could be maximised with an increase in awareness in the APS of the role of the Parliament. Action to develop the capabilities of the APS workforce in this area is important.

We look forward to the outcome of your deliberations.
Yours sincerely

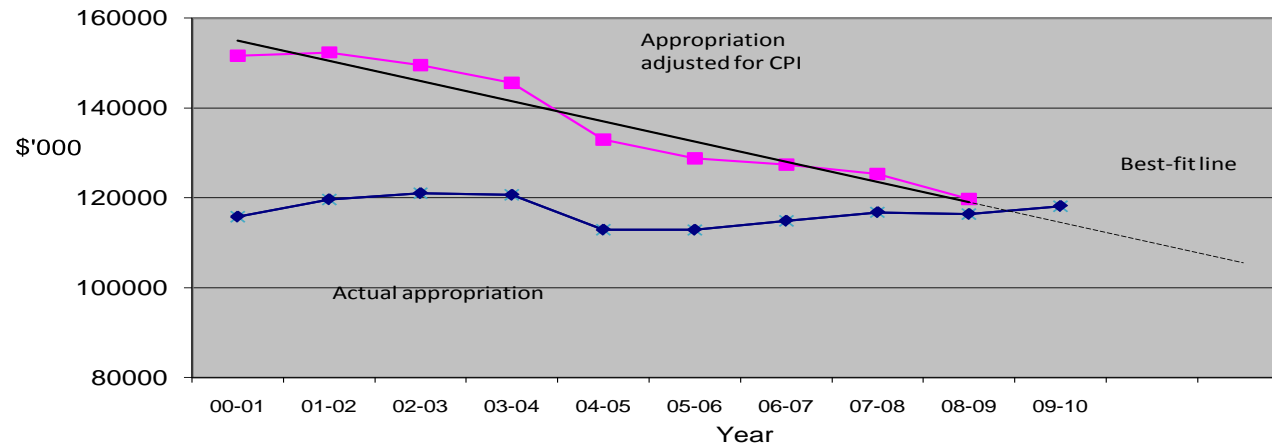
Alan Thompson
Secretary

Fig 1

DPS Budget history

- Since 2000/01
- CPI has increased by 31%
- DPS operating funding has increased by only 2.5%....DPS now has 28% less purchasing power than in 2000.

Appropriation funding for the Department of Parliamentary Services



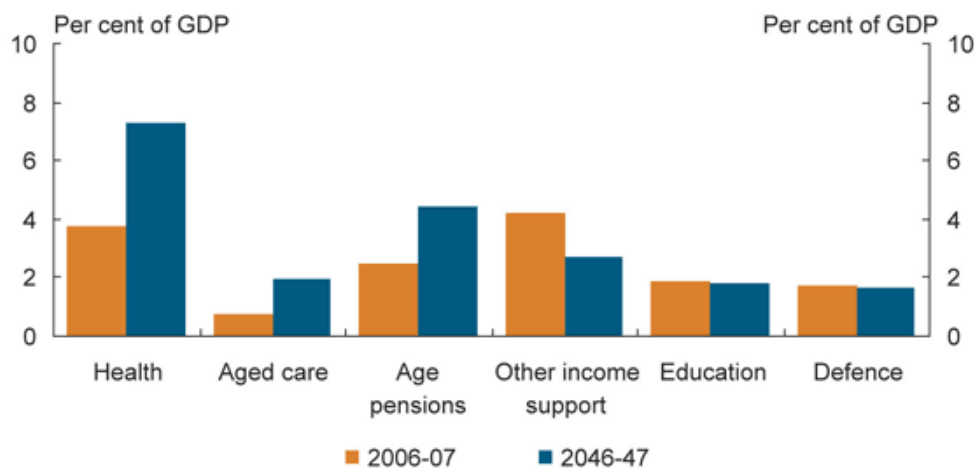
Between 2000 and 2009, productivity measures and other savings allowed DPS to progressively trim costs ...but most “no regrets” savings have now been achieved

Many future savings will affect Parliamentarians

Fig 2

Parliamentary Services—Situation Report for 2029

Operational funding for Parliament is likely to remain in short supply, pressures on Government budgets will be immense.



Australia. Treasury. Intergenerational report, 2007.
http://www.treasury.gov.au/igr/overview/html/overview_10.htm

Population growth may cause an increase in federal politicians; an increase of 36 is possible, and pressure on space in Parliament House will be high.

A new cohort of ICT-savvy politicians (and staff) will expect access to the latest technologies and assistance with controlling the large volume of information available.

New technologies may change the way the chambers and parliamentary committees conduct their business including early use of Web 2.0 applications to achieve "Parliament 2.0", increased demand for citizen participation via new technologies and the role of teleconferencing may be significant.

Environmental expectations will remain high, requiring less water consumption and less consumption of external energy.

Security requirements for Parliament are unlikely to reduce, and may need to be even more robust.

Other realities over the next 20 years include an ageing workforce, strong staff expectations about effective communication, and strong customer expectations about better customer service.