

Chapter 1

Introduction

Terms of reference

1.1 On 26 June 2014, the Senate referred the following matters to the Finance and Public Administration Legislation Committee for inquiry and report by the 7th sitting day in March 2015:

- (a) progress in implementing the recommendations of the committee's 2012 reports into the performance of the Department of Parliamentary Services (DPS), with particular reference to:
 - (i) workplace culture and employment issues,
 - (ii) heritage management, building maintenance and asset management issues, and
 - (iii) contract management;
- (b) the senior management structure of DPS and arrangements to maintain the independence of the Parliamentary Librarian;
- (c) oversight arrangements for security in the parliamentary precincts and security policies;
- (d) progress in consolidating Information and Communication Technology services and future directions;
- (e) the future of Hansard within DPS;
- (f) the use of Parliament House as a commercial venue;
- (g) further consideration of budget-setting processes for the Parliament and the merits of distinguishing the operating costs of the parliamentary institution and such direct support services such as Hansard, Broadcasting and the Parliamentary Library, from the operations and maintenance of the parliamentary estate;
- (h) consideration of whether the distinction between the operations of the parliamentary institution and its direct support services, and the operations and maintenance of the parliamentary estate, is a more effective and useful foundation for future administrative support arrangements, taking into account the need for the Houses to be independent of one another and of the executive government; and
- (i) any related matters.¹

1 *Journals of the Senate*, No. 37 – 26 June 2014, p. 1019.

1.2 The Senate also agreed that, in undertaking the inquiry, the committee have access to relevant records and evidence of the committee's inquiry into DPS in the previous Parliament.²

1.3 The Senate agreed to extend the reporting date until 25 June 2015 and subsequently to 17 September 2015.³

Conduct of the inquiry

1.4 The inquiry was advertised in *The Australian* newspaper and on the committee's website. The committee invited submissions from interested individuals, organisations and DPS by 5 September 2014.

1.5 The committee received eight public submissions as well as confidential submissions. A list of individuals and organisations which made public submissions, together with other information authorised for publication by the committee, is at Appendix 1. The committee held public hearings in Canberra on 17 November 2014, 2 and 16 March 2015, and 13 and 14 May 2015. The committee also asked questions relevant to the inquiry during appearances by officers of DPS at estimates hearings during the course of the inquiry. A list of the witnesses who gave evidence at the public hearings is available at Appendix 2.

1.6 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee website at www.aph.gov.au/senate_fpa.

1.7 This is the committee's third and final report for this inquiry.

1.8 The committee's first interim report set out the background to this inquiry, including an overview of the committee's previous inquiry into DPS which was conducted in 2011-12. A list of the recommendations from the committee's previous inquiry are at Appendix 3.

1.9 The first interim report dealt with three specific matters:

- the Australian National Audit Office's (ANAO) audit on the management of assets and contracts at Parliament House;
- the process leading to the awarding of the photography commission to celebrate the 25th Anniversary of Parliament House to Ms Anne Zahalka; and
- the background and conclusions of the Senate Committee of Privileges (Privileges Committee) inquiry into the use of CCTV material in Parliament House, in particular, inconsistent evidence provided to the committee by the former Secretary of DPS, Ms Carol Mills, at an estimates hearing on 26 May 2014 and subsequent material provided by DPS to the Privileges Committee.

2 *Journals of the Senate*, No. 37 – 26 June 2014, p. 1019.

3 See *Journals of the Senate*, No. 79 – 2 March 2015, p. 2203; *Journals of the Senate*, No. 95 – 15 June 2015, p. 2644.

1.10 The committee's second interim report, tabled on 25 June 2015, dealt only with the matter of the misleading evidence provided to the committee by Ms Mills at the Estimates hearing on 26 May 2014.

1.11 On 26 March 2015, the committee was referred an inquiry on the proposed Parliament House security upgrade works.⁴ The committee tabled its report for that inquiry on 25 June 2015. The committee has drawn relevant evidence and material from this inquiry to use in the current inquiry.

Appointment of a new Secretary and structural review

1.12 During the course of the committee's inquiry Ms Mills had her employment with the department terminated. On 24 June 2015, the President of the Senate, Senator the Hon Stephen Parry, informed the committee that, pursuant to the relevant provisions in the *Parliamentary Service Act 1999*, the Parliamentary Service Commissioner has commenced a recruitment process to fill the position of Secretary of DPS.

1.13 The Presiding Officers have agreed that key stakeholders will be consulted in relation to the position of Secretary of DPS and the particular skills required to work in the parliamentary environment. The President has indicated that, in due course, the committee's views on these matters will be sought.

1.14 The Parliamentary Librarian, Dr Dianne Heriot, who was acting as the Secretary at the time of Ms Mills' departure, will continue as Acting Secretary until the appointment of a new Secretary.

1.15 The President has also informed the committee that the Presiding Officers have requested that the Parliamentary Service Commissioner arrange for an independent structural review of DPS to be conducted and that the independent reviewer will also seek the views of the committee. This was announced on 27 August 2015 and the President wrote again to the committee with further details of the review.

Content and structure of the report

1.16 In light of the President's correspondence of 24 June 2015, the committee has determined that some areas of deliberation on this inquiry have now been superseded. In particular, given the plans for an independent structural review of DPS, the committee has decided not to make any comment on term of reference (e), the future of Hansard in DPS, and term of reference (h), which deals with consideration of the distinction between the operations of the parliamentary institution and the operations and maintenance of the parliamentary estate.

1.17 In addition, while the committee has looked at the changes in the senior management structure of DPS since Ms Mills became Secretary in May 2012, the committee has not made any comment on the current structure of DPS' senior

4 *Journals of the Senate*, No. 90 – 26 March 2015, p. 2463.

management (term of reference (b)). This is an issue that the committee would be prepared to discuss further with the independent reviewer.

1.18 The committee has also covered some of the terms of reference, like heritage management and contract management, in the first interim report. This report builds on the material covered in the first interim report, rather than recanvassing those matters.

1.19 Finally, there are some terms of reference for which the committee received no evidence, for example arrangements to maintain the independence of the Parliamentary Librarian. For this reason, the committee has not covered all the terms of reference in this or the preceding reports.

1.20 The structure of this report is:

- Chapter 2 discusses the changes in the senior management structure of DPS since 2012 and gives an overview of DPS' response to the recommendations from the committee's previous inquiry.
- Chapters 3 and 4 consider specific issues in relation to DPS' response to the recommendations from the committee's previous inquiry. Chapter 3 covers heritage management, building and asset management and contract management. Chapter 4 discusses workplace culture.
- Chapter 5 covers other matters arising from the terms of reference and the inquiry in general, including the budget-setting processes for the Parliament; the use of Parliament House as a commercial venue; and the provision of information by DPS to the committee.

Acknowledgement

1.21 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information and appearing at public hearings.