

Chapter 1

Introduction

Terms of reference

1.1 On 23 June 2011, the Senate referred the following matter, as an inquiry under standing order 25(2)(a), to the Finance and Public Administration Legislation Committee, for inquiry and report by 29 November 2011:

The performance of the Department of Parliamentary Services (DPS), with particular reference to:

- (a) matters raised at the Budget estimates hearing of the committee on 23 May 2011 and in answers to questions taken on notice;
- (b) policies and practices followed by DPS for the management of the heritage values of Parliament House and its contents;
- (c) asset management and disposal policies and practices;
- (d) resource agreements and/or memoranda of understanding for the provision of services within and by DPS;
- (e) an assessment of the efficiencies achieved following the amalgamation of the three former joint parliamentary service departments and any impact on the level and quality of service delivery;
- (f) the efficient use, management and delivery of information technology services and equipment; and
- (g) any related matter.¹

1.2 The reporting date was subsequently extended to 28 June 2012. On tabling of the committee's interim report on 27 June 2012, the tabling date for the final report was extended to 28 November 2012.²

Conduct of the inquiry

1.3 The inquiry was advertised in *The Australian* newspaper and on the committee's website. The committee invited submissions from interested individuals, organisations and the Department of Parliamentary Services.

1.4 The committee received 24 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 16 November 2011, 2 May 2012 and 30 October 2012. A list of the witnesses who gave evidence at the public hearings is available at Appendix 2.

1 *Journals of the Senate*, 23 June 2011, p. 1100.

2 *Journals of the Senate*, 8 November 2011, p. 1796; *Journals of the Senate*, 27 June 2012, p. 2665.

1.5 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee's website at:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/index.htm

Background to the inquiry

1.6 During the committee's February 2011 Additional Estimates hearings, the sale, in late 2010, of two billiard tables from Parliament House was canvassed.³ The committee was told that a heritage assessment of the tables had been conducted before the sale.⁴ The 'heritage assessment' was provided in an answer to a question on notice and consisted of a handwritten annotation by the Disposal Delegate on the *Register of all furniture installed in the New Parliament House*.⁵

1.7 The disposal of the tables was again pursued at the May 2011 Budget Estimates. During questioning, the then Secretary of DPS, Mr Alan Thompson, confirmed that the annotation was the heritage assessment.⁶ Further, it was confirmed that the annotation had been added to the register after the Additional Estimates hearing.⁷ It was also revealed that the Disposal Delegate had no qualifications for assessing the heritage value of the tables.⁸

1.8 In its report to the Senate following the May 2011 Budget Estimates, the committee noted that it had requested that DPS provide it with the original version of the declaration of surplus or unserviceable items form and the asset register containing the annotation. The committee indicated that it would consider the matter further following receipt of the documents requested.⁹

1.9 In speaking to the Estimates report, Senator the Hon. John Faulkner noted:

Precisely eight months to the day after the sale had occurred, and only after extensive questioning at the Senate Finance and Public Administration Legislation Committee—only after those processes did we find out that no heritage assessment had been made prior to the sale, contrary to DPS policy; that the Senate's Finance and Public Administration Legislation

3 *Additional Estimates Hansard*, 21 February 2011, pp 16–17; 41–43.

4 Ms Judy Konig, Chief Financial Officer, Department of Parliamentary Services, *Additional Estimates Hansard*, 21 February 2011, p. 42.

5 *Additional Estimates 2010–11*, Department of Parliamentary Services, *Answers to questions on notice*, No. 27.

6 Mr Alan Thompson, Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 34.

7 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 62.

8 Mr David Kenny, Deputy Secretary, Department of Parliamentary Services, *Budget Estimates Hansard*, 23 May 2011, p. 65.

9 Senate Finance and Public Administration Legislation Committee, *Budget Estimates 2011–12*, June 2011, p. 4.

Committee had been misled; that inaccurate evidence to the committee had not been corrected and that very serious questions remain unanswered about the status of documents provided to the committee.¹⁰

1.10 Senator Faulkner went on to comment that the Senate earlier that day had agreed to refer a range of matters to the committee for inquiry. He noted the reference had been supported by Government, Opposition and Greens senators.¹¹

Interim report

1.11 On 28 June 2012, the committee tabled an interim report for its inquiry into the performance of DPS. The interim report canvassed the sale of the Parliament House billiard tables and the subsequent investigations undertaken by DPS. The committee's findings on this matter exposed less than satisfactory practices in DPS in relation to the disposal of Parliament House assets and the very poor response by senior officers to matters raised by the committee during estimates hearings. The interim report also canvassed issues in relation to the heritage status and heritage management of Parliament House. The committee indicated that there were a range of matters outstanding which required further investigation including bullying and harassment of DPS employees, recruitment procedures, design integrity issues in relation to projects managed by DPS, and budget issues.

1.12 The committee made only one recommendation in the interim report: that DPS be provided with additional funding of \$100,000 to ensure the completion of the Central Reference Document (CRD) by Ms Pamille Berg.

1.13 The interim report is reproduced in appendix 3 of this report.

Developments during the inquiry

1.14 During the inquiry, there were significant changes to senior executive staff in DPS. Ms Roxanne Missingham retired as Parliamentary Librarian on 13 February 2012 and Dr Dianne Heriot was appointed to that position. In early April 2012, Mr Alan Thompson retired as secretary of DPS. During the period before the appointment of a new secretary, Mr Russell Grove, former Clerk of the NSW Legislative Assembly, acted as secretary of the department and appeared at the committee's inquiry hearing of 2 May and at the May 2012 Budget estimates. On 28 May 2012, Ms Carol Mills, a former senior New South Wales public servant, commenced as secretary of DPS.

1.15 Following an initial review of DPS, Ms Mills indicated her concern that management structures did not work as well as they could to help staff focus on their cores areas of responsibility, work across teams or use resources most effectively. In order to strengthen DPS as a customer focussed organisation, Ms Mills proposed a structural realignment of the department which will see the regrouping of existing functions into seven divisions.

10 Senator the Hon. John Faulkner, *Senate Hansard*, 23 June 2011, p. 3707.

11 Senator the Hon. John Faulkner, *Senate Hansard*, 23 June 2011, p. 3708.

1.16 At the Supplementary Estimates of October 2012, Ms Mills informed the committee that new positions of Chief Information Officer and Executive Director, Building Management, had been created and recruitment was under way.¹² Ms Mills also noted that three senior executive staff, Mr David Kenny, Deputy Secretary, Ms Bronwyn Graham, Assistant Secretary, Building Services, and Ms Liz Bryant, Assistant Secretary, Projects, had retired from the department as their former positions no longer existed under the new structure.¹³

Structure of report

1.17 The report is structured as follows:

- chapter 2 discusses DPS as an employer and addresses bullying and harassment, appointment practices and occupation health and safety issues;
- chapter 3 canvasses heritage values and maintenance of Parliament House;
- chapter 4 provides details of four recent projects undertaken by DPS: the House of Representatives Chamber Enhancement project, the DPS Staff Accommodation project, the Staff Dining Room project and the car park lighting project;
- chapter 5 addresses the management of assets in Parliament House, in particular the disposal of assets and provides details of the disposals including the Bertoia chairs as well as the removal of the terracotta pots from parliamentarians' offices;
- chapter 6 canvasses security issues in Parliament House including security enhancement projects and matters related to the Parliamentary Security Service;
- chapter 7 provides details of information technology issues including the outcome of the review of ICT for the Parliament commissioned by the Presiding Officers;
- chapter 8 examines the amalgamation of the three parliamentary service departments and the DPS budget since it was established in February 2004;
- chapter 9 addresses a range of other matters raised during the inquiry including accountability issues; and
- chapter 10 provides the committee's overall conclusions for this inquiry. It brings together various themes running through the report and makes recommendations for improved accountability, project and asset management, and employment practices.

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

13 Ms Carol Mills, Secretary, Department of Parliamentary Services, *Supplementary Estimates Hansard*, 15 October 2012, p. 49.

Evidence reviewed

1.18 In coming to its conclusions, the committee has not limited itself to evidence received during the inquiry. Rather, it has reviewed an extensive range of additional evidence including answers to questions on notice provided in the House of Representatives and the Senate, in particular answer to Senate question on notice No. 682, DPS Annual Reports, evidence taken during estimates hearings and answers to questions on notice arising from estimates.

1.19 The committee found it a difficult task to piece together all the facts of some of the matters canvassed from this range of sources. In particular, the committee notes that sometimes the precise details of matters the committee wished to pursue were unclear from the evidence reviewed, for example, the aligning of information in DPS annual reports and estimates evidence was problematic. As a consequence, the committee sought a range of additional documents from DPS and has examined these during its deliberations.

Further information received

1.20 The committee commented in its interim report on the apparent loss of original records created by the building architects, Mitchell/Giurgola & Thorp. Following tabling of the report, the National Archives of Australia provided further information about the evidence received in relation to the records and stated that 'we have not been able to find any evidence that the records referred to by Ms Berg were ever transferred from the controlling authority to the Archives or have at any time ever been in the custody of the Archives'.¹⁴

1.21 The committee notes that the controlling authority was, in the first instance, the Parliament House Construction Authority followed by the former Department of Administrative Services.

Acknowledgements

1.22 The committee thanks all those who contributed to the inquiry by making submissions, both public and confidential, providing additional information, and appearing before it to give evidence.

1.23 For many people, providing a submission in relation to their time while employed by DPS has revived unpleasant memories of bullying and harassment. As noted in chapter 2, the committee has been unable to adjudicate on individual cases of bullying and harassment. However, the committee has used this evidence to build a picture of employment practices in DPS. The committee encourages any DPS employee, both former and current, who feels that their case has not been adequately addressed to date, to again approach the department to discuss their concerns.

14 Letter to the committee from Dr Stephen Ellis, Assistant Director-General, National Archives of Australia, dated 16 August 2012.

Notes on references

1.24 References to committee Hansards in this report are to final Hansards except for the Supplementary Budget Estimates of October 2012 and the hearing conducted with DPS on 30 October 2012 where reference is made to the proof Hansard. All Hansards are available on the committee's website.