

Report

Referral

1.1 On 20 August 2015, pursuant to the Selection of Bills Committee report, the Senate referred the Parliamentary Expenses Amendment (Transparency and Accountability) Bill 2015 (bill) to the Senate Finance and Public Administration Legislation Committee (committee) for report by the last sitting day in the first sitting week in February 2016.¹

Overview of the bill

1.2 The bill is a private senator's bill, introduced by Senator Nick Xenophon on 13 August 2015.² The bill amends the *Parliamentary Entitlements Act 1990* to require an explanatory statement to be provided with certain types of travel entitlement claims by members, parliamentary office-holders and ministers; and provide for penalties if claims are made in excess of entitlement.

1.3 The bill also amends the *Ombudsman Act 1976* to expand the powers of the Commonwealth Ombudsman to include the scrutiny of parliamentary entitlements claims.

Conduct of the inquiry

1.4 Details of the inquiry, including links to the bill and associated documents were placed on the committee's website at: www.aph.gov.au/senate_fpa.

1.5 The committee also directly contacted a number of relevant organisations to notify them of the inquiry and invite submissions by 30 October 2015. The committee did not receive any submissions and did not hold any public hearings.

Independent review of the parliamentary entitlements system

1.6 On 2 August 2015, the then Prime Minister, the Hon Tony Abbott MP, announced a fundamental review into the parliamentary entitlements system. The review is co-chaired by Mr David Tune AO PSM, former Secretary of the Department of Finance, and Mr John Conde AO, President of the Remuneration Tribunal. Other members of the Review Committee are the Hon Dr Brendan Nelson, Mr Harry Jenkins AO and Ms Linda Nicholls AO. The Review Committee is expected to report to the government in the first half of 2016.³

1 *Journals of the Senate*, No. 110 – 20 August 2015, pp 3007-3008.

2 *Journals of the Senate*, No. 106 – 13 August 2015, p. 2942.

3 See Department of the Prime Minister and Cabinet website, *Review Committee – An Independent Parliamentary Entitlements System*, available at: www.dpmpc.gov.au/taskforces/review-parliamentary-entitlements (accessed 9 November 2015).

1.7 According to the Department of the Prime Minister and Cabinet the Review Committee will:

undertake a wide-ranging review into the entitlements system, consider how to reduce ambiguity and how to better deal with alleged misuse of entitlements. The Government has asked that the committee consider options for an independent entitlements system that can set and monitor the entitlements used by parliamentarians.⁴

Conclusion

1.8 The committee notes that Senator Xenophon has stated that the bill should be seen as a 'parallel process that complements' the independent parliamentary entitlements system review.⁵

1.9 The committee also notes that the bill was introduced into the Senate following intense media scrutiny of particular travel entitlement claims by the former Speaker of the House of Representatives, the Hon Bronwyn Bishop MP. Ms Bishop has subsequently repaid the entitlements, including a 25 per cent penalty loading.⁶

1.10 The committee strongly supports transparency and disclosure in relation to parliamentarians' travel entitlements, as should be the case with any expenditure of taxpayers' money. However, given that no submissions have been received in relation to the bill, the committee does not believe it is a sensible use of its resources to further inquire into this bill.

1.11 Further, it appears to the committee that the bill was introduced to address perceived problems with the entitlements system arising from claims made by the former Speaker of the House of Representatives. In the committee's view, ad hoc legislative reform is not the way to address concerns in relation to the parliamentary entitlements system. The appropriate forum for the discussion of the issues raised in the bill is the current independent review of the parliamentary entitlements system.

Recommendation 1

1.12 The committee recommends that the Senate does not pass the bill.

Senator Cory Bernardi

Chair

4 Department of the Prime Minister and Cabinet website, *Review Committee – An Independent Parliamentary Entitlements System*, available at: www.dpmpc.gov.au/taskforces/review-parliamentary-entitlements (accessed 9 November 2015).

5 Senator Nick Xenophon, second reading speech, *Senate Hansard*, 13 August 2015, p. 5246.

6 Senate Finance and Public Administration Legislation Committee, *Estimates Hansard*, 20 October 2015, p. 120