

Chapter 1

Introduction

Referral

1.1 On 30 March 2017, the Parliamentary Business Resources Bill 2017 (the PBR bill) and the Parliamentary Business Resources (Consequential and Transitional Provisions) Bill 2017 (the PBR (CTP bill)) were introduced into the House of Representatives.¹

1.2 On 30 March 2017, pursuant to the Senate Selection of Bills Report, the provisions of the bills were referred to the Senate Finance and Public Administration Legislation Committee for inquiry and report by 9 May 2017.² On 9 May 2017 the Senate agreed to extend the reporting date until 10 May 2017.³

Background to the bill

1.3 On 23 March 2016 the government indicated that it had received the report of the Independent Parliamentary Entitlements System Review⁴ (the Review) and that the government supported all of the recommendations in principle and would commence work on implementation.⁵

1.4 On 9 February 2017, the Independent Parliamentary Expenses Authority Bill 2017 and the Independent Parliamentary Expenses Authority (Consequential Amendments) Bill 2017 were introduced into the House of Representatives and passed on 15 February. The bill was introduced into the Senate on 15 February 2017 and passed on 17 February 2017.⁶ These bills established the Independent Parliamentary Expenses Authority as an independent statutory authority with responsibilities in relation to expenses and allowances of parliamentarians and their staff; provides for the Authority's functions, powers, liabilities, membership, and appointment of a Chief Executive Officer and staff; and provides for an independent review of the Authority.⁷

1 House of Representatives, *Votes and Proceedings*, No. 46, Thursday 30 March 2017, p. 694.

2 *Journals of the Senate*, No. 38—30 March 2017, p. 1244.

3 *Journals of the Senate*, No. 39—9 May 2017, p. 1304.

4 Commonwealth of Australia, *An Independent Parliamentary Entitlements System Review*, February 2016.

5 Senator the Hon Mathias Cormann, 'An Independent Parliamentary Entitlements System', *Media Release*, 23 March 2016.

6 See http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5802 (accessed 31 March 2017)

7 Independent Parliamentary Expenses Authority Bill 2017, *Explanatory Memorandum*, pp 1–2.

Purpose of the bill

1.5 This bill is the next step in the reforms to the management of parliamentarians' expenses. As noted in the Second Reading Speech:

This bill will see the implementation of a number of key recommendations of the review chaired by John Conde and David Tune into the parliamentary entitlements system, by streamlining the legislative and administrative framework for parliamentarians' work expenses into one single head of legislative authority – this was one of the Review's key recommendations.

A number of other recommendations of the Review will also be progressed through this Bill, including:

- Changing the outdated terminology of 'entitlements' and 'benefits' for parliamentarians to 'work expenses';
- Introducing the principle of value for money travel to ensure that we spend taxpayer's money carefully and responsibly;
- Imposing a 25 per cent penalty loading on work expenses which are claimed incorrectly; and
- Providing a clear definition of 'parliamentary business' so parliamentarians can be more confident about whether their individual use of taxpayer funds, particularly when it comes to travel, is within the rules.⁸

Conduct of the inquiry

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

1.7 The committee directly contacted a number of relevant organisations and individuals to notify them of the inquiry and invite submissions by 13 April 2017. Submissions received by the committee are listed at Appendix 1.

1.8 The committee decided to prepare its report on the basis of submissions received and available information.

8 Mr Josh Frydenberg MP, Minister for the Environment and Energy, *House Hansard*, 30 March 2017, pp 7–8.