



Australian Government
Independent Parliamentary
Expenses Authority

Chair and Committee Members,

Thank you for the opportunity to make this opening statement as the inaugural CEO of IPEA.

Firstly I would like to thank Leonie McGregor for being our interim CEO and for successfully guiding IPEA through its establishment phase.

I commenced in this role on 1 January 2018, having previously served two terms as the APS Merit Protection and Parliamentary Service Merit Protection Commissioner. I bring a reputation of being 'firm but fair' to this new and important role.

A little over a year ago, the Prime Minister announced sweeping reforms to the framework that governs parliamentarians' work resources. This included the establishment of IPEA. I consider our name, IPEA, to be very important – we are an *Independent* Authority focussing on *Parliamentary Expenses* – and this symbolises an important change from past approaches. As the Prime Minister explained, IPEA is “a compliance, reporting and transparency body” to ensure taxpayers' funds are spent appropriately and in accordance with the principles. The principles are expressed in plain English and are easy to understand. Nothing could be clearer than the 2016 ***Independent Parliamentary Entitlements System Review Report [the Review Report]*** where it states “A parliamentarian should not seek to disguise as parliamentary business an activity whose purpose is personal or commercial”.

Consistent with the recommendations of the Review Report, from 1 January 2018 the Parliamentary Business Resources framework requires Parliamentarians to ensure that any expenditure for parliamentary business is consistent with the legislated principles. While all the Principles are equal, I draw your attention to three requirements. The first is for parliamentarians only to use public resources for the dominant purpose of parliamentary business; secondly to consider the overriding principle of value-for-money for the Commonwealth and thirdly, to act in good faith and be prepared to publicly justify the use of public resources. The framework provides definitions of the types of duties that may constitute parliamentary business; these definitions are broader than the previous arrangements.

Under the new framework, IPEA provides more definitive advice and post-travel rulings. This improved form of advice is of great value to parliamentarians and builds integrity in the system. I appreciate that the changes may pose some initial administrative challenges to parliamentarians and their staff. As you are aware, information activities are already well underway, with IPEA holding information sessions in Canberra and other capital cities. IPEA is here to assist and will provide support to parliamentarians and their offices in

understanding and adhering to the new expenses framework through this period of transition and beyond.

Since 1 July 2017, IPEA has processed over one hundred and twenty thousand travel related payments and received nearly seven thousand unique enquiries for advice regarding travel expenses. We are helping parliamentarians to engage and meet with constituents, and this supports the healthy functioning of our parliament and democracy. It is our shared responsibility – IPEA, parliamentarians and staff - to provide confidence to the Australian community that public resources are being accessed and administered appropriately.

IPEA has already moved towards more frequent, accessible and transparent reporting of parliamentary and staff expenditure. We are currently reporting this expenditure on a quarterly basis and will move to monthly reporting – ideally with the help of new technology - in due course. Our expenditure reports, available through our website, are in a more user-friendly and filterable format. I appreciate that the normal and expected consequence of more regular reporting and greater transparency is increased media attention.

Where a concern of alleged misuse is raised, IPEA conducts activities at arm's length from government – in accordance with a protocol agreed by the Members of IPEA. The protocol is available on the IPEA website. IPEA does not report to Government on concerns that may be under consideration and does not generally comment on any specific concerns or matters that may or may not be under consideration at any point in time.

I thank Committee Members for meeting with me. IPEA is here to administer the new legislation and help parliamentarians “do the right thing” when claiming work expenses. This, after all, is in everyone's best interest – the Australian taxpayer, IPEA, parliamentarians and their staff. There was significant consultation on, and bipartisan support for, the legislation as it passed through Parliament. The reforms are a significant undertaking and IPEA cannot do it alone. With a new CEO and new legislation we are also on a steep learning curve and, until the Parliamentary Expenses Management System (PEMS) is fully implemented, we continue to work with manual systems. We need the ongoing support of all parliamentarians to deliver on the intended legislative purpose.

Thankyou.

Annwyn Godwin
Chief Executive Officer



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Dealing with Misuse of Parliamentary Work Expenses

In 2017 the Prime Minister, the Hon Malcom Turnbull MP, announced a major overhaul to the Parliamentary Work Expenses Framework to provide greater accountability and transparency. As part of the reforms, the Independent Parliamentary Expenses Authority (IPEA) was established, with responsibility to provide assurance that work expenses are spent in compliance with the Framework.

IPEA will deal with concerns or matters regarding possible misuse of work expenses at arm's length from Government, enabled by the Authority's responsibilities under the *Independent Parliamentary Expenses Authority Act 2017* (IPEA Act) for auditing and reporting of parliamentarian's work expenses and *Members of Parliament (Staff) Act 1984* employee (MOP(S) Act staff member) travel expenditure.

Concerns of possible misuse

When a concern regarding the use of a work resource is raised or identified, IPEA will conduct a preliminary review. The review will scrutinise the work expense use and determine if the concern is credible and substantial.

- IPEA will not generally respond to those who have raised concerns nor provide information on progress of deliberations or of any actions consequently taken.
- IPEA may request the parliamentarian or MOP(S) Act staff member to provide further information about the concern, within a specified timeframe that IPEA considers appropriate to the complexity of the request.
- If the concern is relatively minor, IPEA will consider administrative action to address a breach of the Framework.

Matters of credible and substantial possible misuse

In the event of a credible and substantial matter of possible misuse, IPEA will decide whether, or not, to undertake an assurance review or audit of the matter.

- Under the IPEA Act, the Authority may audit any MP work expense or MOP(S) Act staff travel expenditure matter as the Authority considers appropriate.
- In the event of an adverse finding, the parliamentarian or employee will be provided an opportunity to make comment.

Matters involving more serious possible misuse will be considered by the Members of the Authority.

- The Members may issue a notice requiring a person to provide information that is relevant to an audit or report by the Authority, as provided for under Part 5 of the IPEA Act. Criminal penalties apply for failure to comply with a notice, or for providing false or misleading information.

Members of the Authority will decide whether a matter is referred to the Australian Federal Police (AFP).

- The Minister(s) responsible for the AFP and the Special Minister of State, responsible for the Parliamentary Work Expenses Framework, will be notified of a referral of a matter to the AFP.

Members of the Authority will decide whether, or not, to publish their decision(s) in relation to a concern or matter.

