

Additional Estimates - Department of Finance Outcome 3
Statement from Special Minister of State

Thank you to the Committee for the opportunity to make this short statement.

Since being sworn in to this role in July last year, I have been implementing the recommendations of the *Independent Parliamentary Entitlements System Review* to update and improve the work expenses framework for parliamentarians.

As announced in January, I have also established the Independent Parliamentary Expenses Authority, a new independent body to administer and oversee parliamentarians' work expenses.

This evening, I would like to update the Committee on the implementation of the Review's recommendations and the establishment of IPEA.

INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY

On July 1, the Independent Parliamentary Expenses Authority commenced operation as a statutory authority.

Ms Jillian Segal AM has been appointed as the Chair, Mr John Conde AO, Dr Julianne Jaques, the Hon Jeffrey Spender QC and the Hon Gary Gray AO have all been appointed members of the Board and I thank them for their efforts in the four months IPEA has been operating under the statute.

I would also like to thank the interim CEO Leonie McGregor for her work in setting up the Authority, and extend my gratitude to her team.

A recruitment process for a permanent CEO is currently underway, and the successful candidate is expected to begin in the role early in 2018.

Earlier this year, the *Parliamentary Business Resources Act 2017* was passed. Since then, my office, together with the Department of Finance, the Independent Parliamentary Expenses Authority and the Remuneration Tribunal, has been working on the regulations to accompany the legislation. The completion of these regulations will ensure the implementation of a number of recommendations of the *Independent Parliamentary Entitlements System Review*.

I would like to thank my parliamentary colleagues in the other parties, the crossbench and officials for engaging in the consultation process ahead of the tabling of the regulations.

This work is nearly complete and I expect the regulations to be released in coming weeks. They will usher in a new, simpler framework for parliamentarians' work expenses and focus on the principles outlined in the *Act*.

Once the regulations come into effect, planned for January 1 2018, Members, Senators and their staff will be required to consider whether their expenditure meets a number of obligations, including whether it is being undertaken for the dominant purpose of parliamentary business.

MORE FREQUENT REPORTING

I am pleased to report that we have made progress towards improving transparency by implementing more frequent reporting.

On October 6, the first quarterly work expense reports for current and former parliamentarians were published by the Independent Parliamentary Expenses Authority.

This initial publication marked a move towards more frequent reporting of parliamentarians' work expenses.

Work is currently being undertaken to upgrade the IT systems that support the processing of expenses and this is a significant task to bring a number of separate processes and systems together into an integrated, fully online system. Once complete, it will allow for monthly reporting of parliamentarians' work expenses, support the provision of information in datasets to make it simpler for interested parties to analyse, and streamline the administration of work expenses for all users from what is currently a paper-based system.

PROTOCOLS TO DEAL WITH ALLEGATIONS OF MISUSE OF EXPENSES

With the establishment of the Independent Parliamentary Expenses Authority and in response to recommendation 34 of the *Independent Parliamentary Entitlements System Review*, I am also pleased to update the committee on the introduction of a new protocol to be used when an allegation is received concerning the misuse of expenses by Members, Senators and their staff.

In the case of all allegations or claims received by the Independent Parliamentary Expenses Authority, these will be investigated by the

Authority according to the protocol I am tabling. Please note, this protocol was first published by IPEA on October 12.

Where the Department of Finance receives a travel-related allegation of misuse, this will be immediately referred to the Independent Parliamentary Expenses Authority. Where a non-travel allegation is received, that matter will be investigated in accordance with the Department of Finance's allegation protocol I will be tabling.

As under the previous 'Minchin Protocol', serious allegations of misuse of work expenses will continue to be considered by a committee independent of government.

Previously, this was a high level committee established in the Department of Finance. However, this function will now be carried out by the members of the Independent Parliamentary Expenses Authority.

Part 5 of the *Independent Parliamentary Expenses Authority Act 2017* provides that the Authority may require that a person provide information or produce a document that is relevant to an audit or investigation. This will assist in investigations into potential misuse of work expenses.

As well as incorporating the new Independent Parliamentary Expenses Authority into the protocol, these changes increase the oversight and accountability of parliamentarians and their use of public funds for their work expenses.

All Australians expect that their Members and Senators will spend taxpayers' money wisely, appropriately and accountably. The work this Government has been undertaking will ensure this can happen better, quicker and with more accountability than ever before.

Senate F&PA Committee

Tabled Document

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