

War over allowances

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The raid a week ago on the offices of three federal Liberal MPs in Queensland as part of a six-month Federal Police investigation into the use of some parliamentary entitlements appears to have placed the career of one the Member for Bowman Andrew Laming in jeopardy. Whether Laming has misused his entitlements remains to be seen but the event threw a spotlight once again on the vast pool of resources at the disposal of MPs in the course of their parliamentary and electoral work.

There is a growing disquiet about the way resources are allocated and the seeming lack of checks and balances allowing the major parties to hoard entitlements for use in an election year. Added to this is the reluctance of either of the major parties to call a truce. The situation has been described as a kind of Cold War going on inside Parliament House over the nearly \$400 million a year paid out by Finance and other departments responsible for services to our MPs and their staff.

The argument is that the major parties are happy to support entitlement increases because today's opposition is tomorrow's government resulting in a kind of mutually assured incumbency. Of course, our MPs must be paid a decent salary and be granted the necessary tools to do the job of representing their voters in Parliament and in the electorate.

A great many MPs use what they are entitled to for that purpose. But there has been growing discomfort, even anger, among many MPs and not just independents and minor political parties that the line between these entitlements is increasingly being used not for electorate work but for party political campaigning. Only in the past year, the annual printing allowance for lower house MPs, used mainly for leaflets and letters, was increased from \$125,000 to \$150,000 (Senators receive \$30,000). For the first time, MPs will be allowed to roll-over any unused portion, up to 45 per cent, into the following year.

The Howard Government, also with the approval of the Opposition, increased the postage or communications allowance from \$27,500 to around \$45,000. Any unused portion of this allowance can also be rolled over into the next year. And earlier this year, the Government raised, for the first time since 1984, the number of electorate office staff permitted for each MP from three to four. This has provided 126 extra staff for the Government and 88 for the Opposition.

The changes have led to accusations that the Government and the opposition by its acquiescence is using the entitlements to build up its election year war chest. A staunch critic of the way MPs' entitlements are handled, the independent member for Calare in NSW, Peter Andren, believes the system is being abused and it's deliberately designed to be complicated to discourage close scrutiny. "There's a constant abuse of what are after

all only conventions, they're not locked-in regulations, they can't be overturned once the Minister signs off on them," Andren says.

It is difficult enough to calculate the global worth of a federal MP but the Australian National University's Democratic Audit of Australia attempted this in a paper last year and came up with nearly \$900,000 including a base salary of \$118,950 and all entitlements excepting superannuation. However, this calculation was based on figures from the only Auditor-General's report into federal parliamentarians' entitlements done in 2000 and based on annual expenditure of nearly \$400m the figure would be closer to \$1.5 million per MP.

Norm Kelly, of the ANU's political science program, estimates the printing and communications allowances, complete with the generous roll-over provisions, enable the assiduous MP to build up a campaign fund of up to \$227,500 for a single year. "Can you imagine an NGO (non- government organisation) saying, 'oh look, we haven't used up all our money we want to use it next year,?' There's no way that would happen," Kelly says.

Added to the increased printing and postage allowances and staff allocation, the Howard Government also decided last year to allow MPs to use them to print how-to-vote cards and similar electioneering material. Australian Democrats Senator Andrew Murray describes this last decision as "monstrous". "They take a legitimate principle and then they pervert it," he says. "John Howard is determined to ensure that he maximises the advantages he already has."

The irritation of people like Andren, Murray, Labor's John Faulkner, and Kelly, who used to be a Democrat upper house MP in the West Australian Parliament, centres around the lack of accountability. "It's all about hoarding resources and of course, the benefits of incumbency are huge and the government of the day would argue it's available for everyone but it mainly benefits the one with the majority at the time," Andren says. "It also precludes any serious attempt by any mere mortal who might run as an independent or for a smaller party to have any chance of countering the advantages of incumbency let alone the war chests of donations."

To be fair, Labor did object to the increase in staff when it was announced in January. Labor's Penny Wong, the Opposition's spokeswoman on public administration and accountability, said the increase had been "suspiciously timed". Senator Wong said that Labor had not been consulted about the decision. "Australians will be very suspicious about the Howard Government's decision to allocate more staff to politicians at the beginning of an election year," Senator Wong says. "Clearly, the Howard Government has had no hesitation in spending public money to stock its war chest."

Murray believes the extra staff entitlement will enable many MPs to have an electorate office staffer permanently on campaign duty. In its decision on the postage allowance in mid-2005, the Remuneration Tribunal determined that each MP is entitled to 50c per enrolled voter in his or her electorate. In reality, Kelly says, when MPs send letters they

tend to use the mass mailouts which actually attract a discount reducing the cost to 5c to 8c a letter.

Despite the occasional public outrage about MPs' pay and entitlements it usually blows over quickly and never raises its head during an election campaign. Aside from the raids in Queensland which are still under investigation, another example is the attack a few weeks ago on the millionaire Minister for the Environment and Water Resources, Malcolm Turnbull, for using his travel allowance entitlement to pay rent for a flat in Canberra owned by his wife Lucy.

The subsequent flurry died down quickly once it was pointed out that other wealthy MPs, including Opposition leader Kevin Rudd and Labor environment spokesman Peter Garrett, are entitled to the same allowances. The story flatlined when Rudd later confirmed that he had once done the same thing and used his travel allowance to pay rent for a Canberra home owned by his wife, Therese Rein. "I think that the main issue there is the lack transparency as to what people are entitled to; there is no easy way of looking at what your local member gets in the way of entitlements or how those entitlements are used," Kelly says. "If there was a more transparent system people would actually be more comfortable with it, the present system is just too messy."

Murray says that it is not a case of illegal but unmonitored use of legitimate entitlements like office resources. He says many MPs simply do not bother to sign off on their regular usage reports for the Department of Finance and the department is powerless to demand that they do so. Greens leader Bob Brown also points to the potential misuse of entitlements, like the increased printing allowance, as a far more significant issue than attacking one MP on how he or she spends their living-away-from-home allowance. He described the increased allowance as "obscene" because it would allow sitting MPs to pour hundreds of thousands of dollars of public money into their election campaigns. Andren says MPs would be better off to follow the Canadian example, which gives their MPs a global budget of around \$250,000 for their staff and office needs. "There is a crossover and a blurring in the distinction between what's being funded by the party and what's being funded by the allowance," Andren says.

But Murray says a global budget would be worse, making it even harder to maintain accountability. Instead, he says, any unused entitlement should be taken away. None of the critics argue that MPs' entitlements are undeserved. "The present system is just a messy mix of entitlements," Kelly says. MPs' pay and many allowances and entitlements are approved by the Remuneration Tribunal, most are administered by the Department of Finance, while others are approved of and administered by the Special Minister of State. The Government can provide additional benefits to MPs on top of the Remuneration Tribunal determinations under the Parliamentary Entitlements Act. Aside from being provided with office resources like computers and printers, four electorate office staff, two home phone lines, a private plated car or \$19,500, unlimited free petrol, spouse travel and a world trip every three years, there is also an electorate allowance of up to \$39,400 depending on the size of your electorate. An MP's base salary of \$118,950 is added to if

they hold higher office like a parliamentary committee chair, party whip, speaker, leader, deputy leader or a minister.

Again, ministers and the Opposition leader receive additional staff entitlements on top of their electorate offices. The entitlements are again greater for political parties with five or more members, leaving the Australian Democrats and the Greens at the mercy of the Special Minister of State when seeking extra resources like office space or staff.

Kelly believes that greater transparency would put pressure on MPs to justify the use of their entitlements. "It's the government pushing incumbency benefits to a new level. You have this party cartel of Labor- Liberal-National and they will to a good degree be happy to increase their own benefits. They don't mind the other side getting those benefits because they know, invariably, they will be in government and then opposition," Kelly says.