The Committee Secretariat
Parliamentary Entitlements Review Committee,
Dept. Finance & Deregulation,
John Gorton Building,
King Edward Tce,
Parkes. ACT 2006.

Dear Secretary,

Re: Parliamentary Entitlements Review

I commend Minister Ludwig on this initiative. Reform of parliamentary entitlements is long overdue.

I have not read the terms of reference as I do not wish to confine my views in this all too rare opportunity to at least express my views on what is a significant issue for the silent majority.

As I understand it, there is an assumption that people elected to parliament are underpaid when their pre & post parliament earning capacity are considered.

In consequence, there is an array of entitlements to “compensate” members for such loss & for their actual expenses. The entitlements survive membership of parliament, some even survive members & are for spouses.

In a number of instances there also seems to be a presumption that it is inappropriate for members to have to account for their expenses & instead that they should be given allowances, even untied allowances so that in practice not one cent of the allowance has to be spent on the purpose for which the allowance was created.
The disguising of the real level of income through the allowance & entitlement structure can seduce members into thinking they are making enormous sacrifices & so are entitled to whatever can be extract from the system. For some the term & post term entitlements, tax advantages, plus salary would without doubt provide a real income well in excess of what their income earning prospects would have been from the time of election to the time when their parliamentary career has finished. Some of course may well lose out overall but probably not to the extent they may imagine.

Ultimately, it is true that as adults, members choose to become a member of parliament. If they are making a sacrifice that is to their credit. It is not for the taxpayer to indulge that choice.

Of course, the real issue, one suspects, is that members fear that if the public knew how much the benefits were potentially worth, some for life, the taxpayer would rebel. The truth is that if the taxpayer knew the real income of members, more may stand for parliament, may see being a parliamentarian as a career. Accountability might be raised to a higher level.

It is becoming clear that members can & do use their parliamentary experience to pursue new & in any case lucrative careers post parliament & yet in some instances take up life long entitlements.

Members positions should be seen as similar to small taxpayer funded businesses & should be resourced accordingly. Members should account for all claimed expenses.

When a member finishes up, the member’s entitlement should be no more than a superannuation benefit very similar to that to which small business proprietors may be entitled for that period of service.

Members should be remunerated for the value of their positions. I do not mind members being well paid, provided it is seen as income, is clear & transparent & well publicized.

In this way members will not be able to consider they are martyrs to the public purse. The public will be more inclined to see well-remunerated membership of parliament as a reputable & desirable career.

Yours truly,

Bob Haebich