

**MPs incumbency benefits  
keep growing**

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Many people have a cynical attitude towards politicians, believing they are in the business primarily for self-interest. In recent times, this attitude has been supported by the actions of governments (with MPs' acquiescence) that are providing increasing amounts of 'slush' money to incumbent MPs. This money, in the form of parliamentary entitlements, is tilting election contests unfairly in favour of incumbent MPs, at the expense of democratic equality.

The decision in August 2006 by the Howard government to increase the printing allowance for House of Representatives MPs from \$125 000 to \$150 000 per year will only strengthen such cynicism. There is an even more striking increase for Senators – the current 10 reams of paper a month entitlement (worth less than a \$1000 a year) increases to \$20 000 a year. These latest rises come on top of the increase in the postage allowance (a separate entitlement), passed by the Coalition and Labor last year, which went from \$27 500 to about \$45 000 per year for MPs.

Another concern about these allowances is that roll-over provisions have been introduced, so that parliamentarians can carry-over an unused portion of an entitlement into the following year – a very handy condition in the lead-up to an election. Unfortunately, such increases blur the boundary between the legitimate needs of being an effective member of parliament, and the illegitimate use of incumbency to further partisan interests. In other democracies there are strict controls over the use of parliamentary allowances of this kind.

The government's defence is that MPs face growing demands for information on matters such as child care and seniors' entitlements. While some would argue that the quality of information they receive from their local MP is more about self-promotion than providing information, parliamentarians should have a reasonable degree of freedom to use legitimate entitlements as they see fit, as they will be held accountable at the next election. Of course, information on how funds are spent should be readily accessible to the public.

If the need to service and inform the electorate was the real purpose, then the government would impose strict guidelines as to how the entitlement could be used, and not allow the money to be used for blatant electioneering. The use of taxpayers'

money to fund election campaigns is already provided for under public funding legislation (and there are plenty of arguments about that issue for another day). For the 2004 election, public funding amounted to \$41m, with almost \$38m of this going to the Coalition and Labor. However, the Coalition government, with Labor's blessing, is providing their MPs with additional campaign resources, in an unaccountable form, under the guise of 'servicing the electorate'.

Under a change in policy that quietly occurred in the lead-up to the 2004 election, the government's guidelines now explicitly allow the printing allowance to be used for campaigning purposes such as the production of party-endorsed How to Vote cards. This significant change is probably indicative of a complacent government that is well aware that the Opposition will not create a fuss, as Labor benefits equally from the change.

It is hardly what you would call a level playing field when incumbent parties and parliamentarians can use their self-granted benefits of office in a supposedly democratic election. On 18 August 2006 Human Services Minister Joe Hockey defended this latest increase by arguing that Labor had initiated similar increases when it was in government. This is the classic *tu quoque* argument – that previous bad actions by the other side justify current bad actions. You would think that Australian politics has outgrown such immature arguments – but obviously not.

Labor has responded by saying that the increase is excessive, although it has not yet stated that it will support the disallowance motions that have been put forward by the Greens and Democrats in the Senate. It definitely has not said that, if elected to government, Labor would remove the ability to use the allowance for campaign purposes – there could be a backbench revolt over that one! Labor's record on this is weak, as it has consistently supported large increases in the past.

For example, in June 2005 Labor supported the Coalition in allowing the massive increase in the postage allowance to go through. The Remuneration Tribunal had determined that each MP should be entitled to 50 cents (the cost of a postage stamp) per enrolled voter in his/her electorate, per year. In reality, MPs send standard letters or newsletters to their electorate *en masse*, with the actual cost of delivery being only

5-8c per letter. Given the opportunity to disallow the increase on that occasion, Labor conveniently argued that as the Tribunal had determined the increase, Parliament should not interfere with the Tribunal's decisions. This would be a reasonable argument if the Tribunal was the sole arbiter of MPs allowances. However, section 5 of the *Parliamentary Entitlements Act 1990* allows the government to provide benefits in addition to the Tribunal's rulings. In other words – “if the Tribunal doesn't provide enough, we'll give ourselves some more”.

As the legislation currently stands, MPs entitlements can be determined by the MPs themselves, with the MPs also deciding what the money can be spent on, and how it is (or more commonly, is not) reported publicly. This is an unsatisfactory state of affairs, both in terms of accountability and the accumulation of incumbency benefits. It also does a disservice to the many parliamentarians who use their entitlements wisely, and for legitimate reasons. There is currently a confusing mix of entitlements, determined in various ways, including legislation and delegated legislation, Remuneration Tribunal determinations, Ministerial decrees, and Prime Ministerial patronage. Entitlements include an electorate allowance up to \$39 600 a year, office resources, unlimited home phone use, a car (including unlimited free fuel – now that's something the rest of the population would love to have at the moment), spouse travel, and world travel every three years.

Parliamentary party status is another way of establishing a hierarchy of incumbency. In the federal parliament, party status, with its additional resources such as extra staff and travel entitlements, is given to parties with five or more members. Parties that fall below this threshold, such as the Greens and Democrats, with four Senators each, have to negotiate with the government for any additional resources. Such negotiations are naturally more difficult when parties do not have leverage, such as balance of power. This system of arbitrary resourcing highlights the fact that decisions are based on favouritism, rather than the genuine needs of MPs.

It is acknowledged that incumbency naturally brings certain legitimate advantages, such as status and media exposure and attention. Parliamentary entitlements, such as those briefly outlined above, come into a grey area where the allowances can be used either legitimately, be abused, or used in a blatantly corrupt manner. It is difficult at

times to determine what category such use falls into, as MPs have the freedom to represent their electorate as they choose. While such freedom should be retained, accountability for the use of public funds needs to be improved.

Sally Young and Joo-Cheong Tham, in a forthcoming democratic Audit report on political finance, provide a comprehensive assessment of incumbency benefits at the government level. For government MPs, these benefits include access to media resources, such as additional media advisors and monitoring (not available to opposition MPs), and an open-ended government advertising budget. As Young and Tham point out, the Auditor General and parliamentary committees have made recommendations for guidelines to be implemented to ensure that government advertising is not used for partisan purposes. The Howard government has rejected these recommendations, claiming they are unworkable. The previous Labor government, and current state Labor governments, are equally culpable in this area. In addition, no Australian jurisdiction provides for independent scrutiny of government advertising prior to publication.

It is no surprise that incumbent governments have had increased success in being returned to office in recent Australian elections. In fact, the last government to lose an election was the Kerin Liberal government in South Australia in 2002. Ten elections since then have returned the incumbent government.

The whole area of parliamentary entitlements needs to be closely examined and brought under a single independent decision-making authority. A good starting point would be for the government to take action by prohibiting parliamentarians from using public money to fund their own election campaigns. At the moment, incumbent MPs are on the gravy train, and the train is speeding out of control.