

Appendix one – Response from Department of Parliamentary Services



DEPARTMENT OF PARLIAMENTARY SERVICES
Office of the Chief Executive

Ref: D20/62998

10 December 2020

Ms Margaret Crawford
Auditor-General of NSW
The Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Dear Ms Crawford

Re: Auditor-General's Report to Parliament - Members' Additional Entitlements 2020

I refer to your report to Parliament on Members' Additional Entitlements 2020 and specifically to the following items titled:

1. Clarifying the Department's Guidelines relating to 'parliamentary duties'

The Parliamentary Remuneration Tribunal has indicated it will work with the Department of Parliamentary Services and consult with the Auditor-General before changes, if any, are made. In its Annual Report and Determination dated 7 July 2020, the Tribunal indicated the matter will be considered in more detail during the 2021 annual review.

The Department has undertaken a review of the definitions of 'parliamentary duties' and activities that meet the definitions in select Australia jurisdictions.

As part of the 2021 annual review, the Department remains committed to working with the Parliamentary Remuneration Tribunal to identify any additional guidance it may wish to provide members to support them in undertaking their parliamentary and electorate duties.

Once this process has been undertaken, the Department will consult with members on any amendments the Tribunal intends to adopt as part of its 2021 annual review.

2. Enhanced public reporting of Members' expenditure claims

The Department remains committed to implementing the enhanced public reporting of Members' expenditure claims as contained in the Annual Report and Determination of the Parliamentary Remuneration Tribunal dated 16 May 2018.

However, in order to achieve this outcome, the Department requires significant capital funding from NSW Treasury to develop, implement and maintain the required reporting system to fulfil the original recommendation of the Audit Office and the proposed model agreed to by the Tribunal.

It should be noted that the Parliamentary Remuneration Tribunal acknowledged in its 2018 Determination that:

To provide for this degree of public reporting the Parliament will require an integrated online Members' Entitlements Reporting (MER) system which allows for claims data to be captured and extracted into an agreed format. A system of this nature would require a significant capital investment in addition to ongoing recurrent funding. The Parliament has estimated that the capital investment for the design, testing and implementation of the MER may exceed \$2.82 million in the first year with ongoing recurrent funding of \$343,000 indexed each year required thereafter.

It is unlikely the Parliament will be able to report on expenditure claims as intended by the Tribunal, and as recommended by the Auditor General, without this significant capital funding.

The Department has consulted with members, developed an agreed reporting framework in collaboration with the Audit Office and the Tribunal, had the project costed and submitted multiple bids to NSW Treasury seeking funding for the delivery of the enhanced reporting framework. To date, the funding is yet to be provided.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mark Webb', written over a horizontal line.

Mark Webb
Chief Executive