

MEDIA RELEASE

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Corruption and Crime Commission urges improved controls on Parliamentary electorate allowance

The Corruption and Crime Commission today tabled in State Parliament a report which identifies significant serious misconduct and corruption risks relating to \$7.5 million in annual electorate allowances paid to its members.

Because the Salaries and Allowances Tribunal, the Department of Premier and Cabinet, and Parliament do not conduct audits of electorate allowance expenditure, it is impossible for the Commission to say whether or not the behaviour illustrated in the report is representative of a widespread use of the electorate allowance for personal benefit. The Commission's investigation into the matter is ongoing.

Every year, each member of Parliament has a base electorate allowance of \$78,000 to 'assist in the effective representation of their electorates'. Additional allowances are granted for regional members.

Parliamentary members are intended to use the funds for the benefit of their electorate, as clearly stated in the Salaries and Allowances Tribunal's determination. However, members are not accountable for the actual expenditure of these funds. They are not audited by the State. There are rules for its use – but they are ineffective and no checks are performed to see if the rules are followed.

The purpose of this interim report is to illustrate the significant misconduct risks with the present electorate allowances system, and to alert Parliament and the Salaries and Allowances Tribunal to the kind of conduct that can occur, so appropriate action can be considered.

The report highlights how the system can easily be abused – in this case by former MP Phillip Edman.

Misconduct risks in electorate allowances for Members of Parliament tells how the former member of the Legislative Council inappropriately used some electorate allowance between 2013 and May 2017. While some electorate allowance may have benefitted the electorate, a significant portion was used to fund his personal lifestyle.

As examples, the use of the electorate allowance to fund visits to an exotic strip club, travel and entertainment of female companions, and to treat staff to lavish, private Christmas parties is improper. The electorate allowance was also used to pay for road traffic speeding

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infringements, bills of one of his female companions, and expenses associated with Mr Edman's yacht - all that were improperly claimed as tax deductions.

Evidence indicates Mr Edman denied his constituents the potential benefit of public funds. The Commission has formed an opinion of serious misconduct in relation to Mr Edman.

The Commission's report comes after a lengthy investigation into allegations of serious misconduct by Members of Parliament. This investigation is ongoing, but cannot be completed until Supreme Court action instigated by the President of the Legislative Council is resolved.

When the Supreme Court proceedings are resolved, and if the Legislative Council decides to release any material it holds to the Commission, that material will be evaluated.

The Commission believes there is significant evidentiary material contained on Mr Edman's laptop computer and two hard drives that were, until recently, in Mr Edman's possession. This significant material is not subject to Parliamentary privilege and some of it has been described by Mr Edman. The Legislative Council also possesses electronic records of the Department of Premier and Cabinet that are considered to be relevant to the Commission's investigation.

The Commission is unable to verify Mr Edman's description or assess whether any conduct rises to the level of serious misconduct because it was ordered to surrender the laptop and hard drive to the Legislative Council.

In the meantime, the Commission considers that the public interest requires that it report to the extent that it is able, on the existence of serious misconduct risks with electorate allowances and the improper actions of Mr Edman.

Even without the additional material being made available, the Commission's report identifies the current vulnerabilities of the electorate allowance system and it enables immediate action to be taken to ensure good governance around the expenditure of public monies.

Download the report

[Misconduct risks in electorate allowances for Members of Parliament](#)

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