



## Retirement travel

Cathy Madden and Deirdre McKeown  
Politics and Public Administration Section

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## Introduction

Former parliamentarians are provided with a post retirement travel, severance travel or Life Gold Pass (LGP) entitlement depending on when they entered or retired from the Parliament and the length of their service in the Parliament. Retirement travel, like other parliamentary entitlements, is governed by legislation, determinations of the Remuneration Tribunal, procedural rules and decisions of the Executive. Recent reforms to retirement travel aim to limit the benefits: closing off the entitlement to the LGP to prospective members of parliament and limiting the entitlement to severance travel by former senators and members.<sup>1</sup>

Following the recommendations of the Committee to Review Parliamentary Entitlements (Belcher Review) the Remuneration Tribunal (The Tribunal) conducted a work value assessment of parliamentary remuneration.<sup>2</sup> The Tribunal released its initial report on the 15 December 2011 and made a statement outlining its recommendations.<sup>3</sup> The recommendations included:

- the prospective closure of the LGP scheme
- termination of the present Overseas Study Travel entitlement and
- greatly limited severance travel entitlement

The Government accepted all of the recommendations of the Tribunal and introduced the necessary legislation in February 2012.<sup>4</sup> This background note outlines the entitlements, discusses recent policy developments and provides links to material that explains retirement travel in greater detail.

## Legislation and determination

Retirement travel comprises the LGP, severance travel and post retirement travel. These entitlements and their eligibility criteria are administered in two ways. The LGP entitlement is largely governed by the provisions of the [Members of Parliament \(Life Gold Pass\) Act 2002](#) while the Tribunal determines the qualifying period for the LGP (Determination 2012/04 Clause 8.2). The

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1. *Members of Parliament (Life Gold Pass) and other Legislation Act 2012*, viewed 10 April 2013, <http://www.comlaw.gov.au/Details/C2012A00004>
  2. Department of Finance and Deregulation, *Review of Parliamentary Entitlements Committee Report*, April 2010, viewed 17 February 2013, <http://www.finance.gov.au/publications/review-of-parliamentary-entitlements-committee-report/index.html>
  3. Remuneration Tribunal, *Review of the Remuneration of Members of Parliament: initial report*, December 2011, viewed 17 February 2013, [http://www.remtribunal.gov.au/\\_data/assets/pdf\\_file/0013/12730/MPs-Report-15.12.2011.pdf](http://www.remtribunal.gov.au/_data/assets/pdf_file/0013/12730/MPs-Report-15.12.2011.pdf) Remuneration Tribunal, Reports, Members of Parliament, Secretaries of Departments, Specified Statutory Officers, *Statement*, 15 December 2011, viewed 20 February 2013, [http://www.remtribunal.gov.au/\\_data/assets/pdf\\_file/0004/12667/3.-Remuneration-Tribunal-Statement-15.12.2011.pdf](http://www.remtribunal.gov.au/_data/assets/pdf_file/0004/12667/3.-Remuneration-Tribunal-Statement-15.12.2011.pdf)
  4. G Gray, *Government to reform MPs' entitlements*, media release, 15 December 2011, viewed 17 February 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F1343642%22>

Tribunal determines both eligibility (qualifying period) and the entitlement to *Severance Benefits* (Determination 2012/04 Clause 9).<sup>5</sup>

## Severance or post retirement travel

Note that Severance Travel/post retirement travel does not extend to spouses or de facto partners.

### Post retirement travel (on or after 15 March 2012)

Determination 2012/04 Members of Parliament Entitlements Clause 9 *Severance Benefits* allows former parliamentarians who retired on or after 15 March 2012 and who do not qualify for a LGP to travel domestically at government expense for a limited time. Former senators and members are entitled to travel at government expense for a maximum of five return trips within the first six months after his or her retirement from the Parliament. The class of travel is as determined for current parliamentarians. Post retirement travel is for "non-commercial" purposes only. The Determination defines "commercial" as:

**'commercial purpose'** means a purpose relating to the derivation of financial gain or reward, whether as a board member, an office-holder, an employee, a self-employed person or otherwise.<sup>6</sup>

### Severance Travel (pre 15 March 2012)

All senators and members who retired from the Parliament before 15 March 2012 who did not qualify for a LGP on retirement are entitled to travel in accordance with the relevant provisions of [Determination 2006/18 Members of Parliament Entitlements](#) before it was revoked. Clause 8 *Severance Travel* allows former parliamentarians who retired from Parliament before 15 March 2012 who do not qualify for a LGP to travel domestically at government expense for a limited time. The class of travel is as determined for current parliamentarians for travel for "non-commercial" purposes only. It can be summarised as:

Qualifying Period	Severance Travel Entitlement	Entitlement of maximum return trips per annum
Service in one Parliament	Travel for six months	12 return trips
Service in two Parliaments	Travel for one year	25 return trips
Service in three Parliaments	Travel for two years	25 return trips
Service in four Parliaments	Travel for three years	25 return trips
Service in five Parliaments	Travel for four years	25 return trips
Service in six Parliaments	Travel for five years	25 return trips

5. Remuneration Tribunal, Determination 2012/04, Members of Parliament–Entitlements, 12 March 2012, viewed March 2013, [http://www.remtribunal.gov.au/data/assets/pdf\\_file/0003/12675/2012-04-Determination.pdf](http://www.remtribunal.gov.au/data/assets/pdf_file/0003/12675/2012-04-Determination.pdf)

6. Determination 2012/04, op. cit., clause 1.4

- Frequent Flyer Points accrued through Severance Travel should be used, wherever possible and practical, to cover the cost of future Severance Travel.
- Broken service will be accumulated. Where a severance traveller has used the entitlement and is then re-elected, any future entitlement will be reduced by the amount utilised.

"Spouse" and "Non-commercial purposes" are not defined for the purposes of Clause 8 of Determination 2006/18.

## Life Gold Pass

Appendix 1 provides limited background to the introduction of Life Gold Pass and changes to the entitlement.

### Life Gold Pass—qualifying period

The Remuneration Tribunal determines qualifying periods for the LGP. Determination 2012/04 Members of Parliament Entitlements Clause 7 *Life Gold Pass* outlines the required qualifying periods for the LGP.

They are:

Office	Qualifying Period
Prime Minister	One year
Ministers (other than parliamentary secretaries)	Six years
President of the Senate	Six years
Speaker of the House of Representatives	Six years
Leader of the Opposition	Six years
Parliamentary secretaries, senators and members	Twenty years or the life of seven Parliaments

- a person who has served as Prime Minister for less than one year, or a minister, presiding officer or Leader of the Opposition who has held office for less than six years, shall have that period trebled in determining their eligibility for a LGP by way of 20 years service as a senator or member
- periods of broken service may be accumulated
- for the purpose of this entitlement the life of six parliaments plus a further period of three years service, none of which is part of the life of those six parliaments, may be taken as the equivalent of the 'life of seven parliaments'
- serving parliamentarians are notified by the Department of Finance and Deregulation when they become eligible for a LGP, but it is suspended until the parliamentarian retires.

## Life Gold Pass—the entitlement

Both the Belcher Review and the Remuneration Tribunal recommended that the entitlement to LPG Pass be reduced from 25 to 10 domestic return trips per financial year.<sup>7</sup> The Belcher Review indicated that current Life Gold Pass holders (LGP holders) should be permitted to retain a reduced entitlement to travel on the basis that those former and current senators and members entered the Parliament with the understanding that post-retirement travel formed part of their benefits.

The [Members of Parliament \(Life Gold Pass\) Act 2002](#) codifies the Life Gold Pass entitlement for retired parliamentarians who satisfy the qualifying periods determined by the Remuneration Tribunal. Section 4A, inserted in 2012, closes the scheme off to new members.<sup>8</sup> This provision took effect from the date of assent, 6 March 2012.

LGP entitles eligible former parliamentarians to travel within Australia at government expense for their lifetime. There is no entitlement to overseas travel.

From 1 July 2012 the entitlement under the *Member of Parliament (Life Gold Pass) Act 2002* can be summarised as:

- former Prime Minister who has retired from Parliament is entitled to 40 return trips per year within Australia, excluding the external territories, for non-commercial purposes, on scheduled commercial services
- a former member who a LGP holder who has never held office as Prime Minister is entitled to a maximum of 10 domestic return trips per year
- the spouse or de facto of a LGP holder is entitled to a maximum of 10 domestic return trips per year, so long as each trip is for the purpose of accompanying or joining the former member and
- the spouse or de facto of a sitting senator or member (who has satisfied the relevant qualifying period for the issue of a LGP and who has never held office as Prime Minister) is entitled to a maximum of 10 domestic return trips to Canberra per year, so long as each trip is for the purpose of accompanying or joining the senator or member.<sup>9</sup>

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7. Belcher Review, op. cit., p. 83; Remuneration Tribunal, initial report, op. cit., p. 47.

8. Members of Parliament (Life Gold Pass) and Other Legislation Act 2012, <http://www.comlaw.gov.au/Details/C2012A00004>

9. Members of Parliament (Life Gold Pass) Act 2002, section 11, <http://www.comlaw.gov.au/Details/C2012C00523>

## Life Gold Pass—spouse and de facto entitlement

- A spouse is defined as the LGP holder's "legally married husband or wife". 'De facto' has the same meaning as the Acts Interpretation Act 1901.<sup>10</sup> To be eligible for travel the spouse or de facto has to be nominated by the LGP holder.
- An entitlement to a cap of 10 domestic return trips for the spouse of a LGP holder. Each trip must be for the purpose of "accompanying or joining" the Pass holder.
- An entitlement to cap of 40 domestic return trips is available for the spouse of an eligible former Prime Minister. A maximum of 10 of these can be non-accompanying or non-joining trips.

### Spouse of a sitting member of Parliament—additional travel

Many sitting parliamentarians qualify for a LGP long before they leave Parliament. While these parliamentarians do not receive the Pass and associated travel benefits before retirement, Part 4 Section 12 of the [Members of Parliament \(Life Gold Pass\) Act 2002](#) provides an additional pre-retirement travel benefit for their spouses or de facto partner.

### Life Gold Pass—surviving spouse or de facto partner

Spouses of deceased LGP holders are entitled to first or business class travel over two years as follows:

- a maximum of ten domestic return trips in the first 12 months after a Pass holder's death
- a maximum of five domestic return trips in the following 12 months

The entitlement is varied if parliamentarians qualified for a LGP prior to 1 July 1976, or, on or after 1 July 1976 but prior to 1 July 2003.

Spouses of deceased eligible former Prime Ministers are entitled to first or business class travel for their lifetime as follows:

- a maximum of ten domestic return trips in the first 12 months following Pass holder's death
- a maximum of ten domestic return trips each year for the next four years
- a maximum of five domestic return trips each subsequent year

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10. Acts Interpretation Act 1901, sections 2D, 2E, 2F, viewed 27 May 2013, <http://www.comlaw.gov.au/Details/C2012C00001>

## Life Gold Pass—definitions

LGP travel cannot be for a "commercial purpose". The Act defines commercial purpose as one from which financial gain or reward is derived.<sup>11</sup> This is the first time that "commercial" has been defined in relation to parliamentary entitlements.

Commercial purpose is further defined in the Explanatory memoranda to include attendance at meetings of a government appointed board or advisory body for which a sitting fee is paid. LGP travel could include holiday travel within Australia.<sup>12</sup> This has previously been described in the 2001 audit report on parliamentarians' entitlements.<sup>13</sup>

Until 2008 a LGP "spouse" had to be legally married to the pass holder: a definition that was quite contentious during the debate on the Members of Parliament (Life Gold Pass) Bill 2002.<sup>14</sup> The definition was changed in 2008 to include de facto partners.<sup>15</sup>

## Life Gold Pass—certification

LGP holders are not required by the *Members of Parliament (Life Gold Pass) Act 2002* to certify their travel. Certification is required administratively, not legislatively.

The Department of Finance and Deregulation (Finance) produces monthly management reports of the usage of entitlements for internal administration. Details of travel charged against the LGP entitlement are provided to the LGP Holder in six monthly reports. The pass holder is asked to:

- verify that the travel was a correct charge against the entitlement and
- certify that the travel was used for non-commercial purposes

Frequent flyer points have been used against LGP travel since 1996. In August of that year, the then Minister for Administrative Services wrote to all LGP holders advising them that, consistent with government policy, " ... frequent flyer points gained from travel at Government expense should be

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11. *Members of Parliament (Life Gold Pass) Act 2002*, section 4, viewed June 2013, <http://www.comlaw.gov.au/Details/C2012C00523>
  12. *Members of Parliament (Life Gold Pass) Act 2002*, Explanatory memorandum, [http://parlinfo.parlinfo/download/legislation/ems/r1579\\_ems\\_eb30fe14-58e2-4c06-ab7e-ca1d3cc70636/upload\\_pdf/49940.pdf;fileType=application%2Fpdf](http://parlinfo.parlinfo/download/legislation/ems/r1579_ems_eb30fe14-58e2-4c06-ab7e-ca1d3cc70636/upload_pdf/49940.pdf;fileType=application%2Fpdf)
  13. Australian National Audit Office, *Parliamentarians' entitlements: 1999–2000*, Chapter 4, Audit report no 5, 2001–02, [http://www.anao.gov.au/~media/Uploads/Documents/2001%2002\\_audit\\_report\\_5.pdf](http://www.anao.gov.au/~media/Uploads/Documents/2001%2002_audit_report_5.pdf)
  14. House of Representatives, *Debates*, 16 October 2002, p. 7777, viewed 2 July 2012, <http://www.aph.gov.au/binaries/hansard/reprs/dailys/dr161002.pdf>
  15. *Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Act 2008* (Cth), Part 1, clause 16–18.



used to reduce the cost to the Commonwealth of retired Parliamentarians accessing Life Gold Pass entitlements ....”<sup>16</sup>

## Retirement travel administration

Retirement travel is administered by Ministerial and Parliamentary Services in the [Department of Finance and Deregulation](#).<sup>17</sup>

### Reporting

Finance first publicly reported on retirement travel in December 2001, providing data on expenditure from January 2001. *Former parliamentarians' travel paid by the Department of Finance and Administration* is tabled twice yearly and is available on the Finance website along with reporting on the travel expenditure of serving parliamentarians.<sup>18</sup> Travel by pass holders, spouse or de facto and the beneficiaries of a deceased LGP holder are now included in the report. Before 2001 spouse travel or travel by beneficiaries was not included.<sup>19</sup>

### Cancellation of retirement travel entitlements

The [Members of Parliament \(Life Gold Pass\) Act 2002 Part 6](#) provides for the removal of the LGP or Severance Travel benefit when a person is convicted of a corruption offence. The Act requires the Director of Public Prosecutions to notify the Minister of Finance and Deregulation whenever a superannuation order is made against a person convicted of corruption under the [Crimes \(Superannuation Benefits\) Act 1989](#). A superannuation order that has come into effect under this Act means a convicted person forfeits the employer contribution to their parliamentary superannuation but retains any employee contributions. The issuing of a superannuation order has the following consequences for retirement travel benefits:

A former parliamentarian holds a Life Gold Pass when a superannuation order is made	Life Gold Pass is cancelled and it must be returned to the Minister within 14 days
A parliamentarian has met the qualifying period for	The parliamentarian is taken to no longer qualify for

16. T. Abbott, 'Questions in Writing: Parliament: Life Gold Passes', House of Representatives, *Debates*, 10 March 2005, p. 104, viewed 1 March 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F2005-03-10%2F0182%22>

17. Further information is available on the Finance website, Guidelines on Former Parliamentarians' Travel, viewed 10 April 2013, <http://www.finance.gov.au/parliamentary-services/parliamentarians-entitlements.html>

18. Department of Finance and Deregulation, website, *Former parliamentarians' expenditure on entitlements paid by the Department of Finance and Deregulation*, viewed 28 March 2013, [http://www.finance.gov.au/publications/parliamentarians-reporting/former\\_parliamentarians\\_expenditure\\_T29.html](http://www.finance.gov.au/publications/parliamentarians-reporting/former_parliamentarians_expenditure_T29.html)

19. Senate Finance and Public Administration Legislation Committee, *Report on the Provisions of the Members of Parliament (Life Gold Pass) Bill 2002*, p. 19. and *Transcript of proceedings*, 23 August 2002, p. 11, [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate\\_Committees?url=fapa\\_ctte/completed\\_inquiries/2010-13/life\\_gold\\_pass/report/index.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/completed_inquiries/2010-13/life_gold_pass/report/index.htm)

a Gold Pass but has not yet retired	issue of the Gold Pass upon retirement
A parliamentarian has not yet qualified for a Gold Pass	The parliamentarian is incapable of qualifying for a Gold Pass
A former parliamentarian does not qualify for a Life Gold Pass	The parliamentarian is not entitled to Severance Travel

If the superannuation order is revoked there is provision for compensatory travel.

## Cost

As shown above, LGP and Severance Travel are capped by the number of trips taken annually by eligible travellers. There is no cap on the cost of these trips to the Commonwealth,<sup>20</sup> nor does the *Members of Parliament (Life Gold Pass) Act 2002* place a financial cap on the cost of individual expenditure on retirement travel.<sup>21</sup>

The Auditor-General states that the cost of retirement travel for 1999–2000 was 'at least \$2 million'.<sup>22</sup> LGP travel costs for the then 139 LGP holders, not including former prime ministers and widows and spouses of eligible LGP holders, for the period 1 July 1994 to February 2005 amounted to \$10,358,435.77.<sup>23</sup> The Special Minister of State, Gary Gray, said in February 2012 that LGP cost taxpayers \$1.3 million in 2010–11.<sup>24</sup>

Retirement travel is not regarded as assessable income for taxation purposes.

## Some costs not included

The entitlement under the *Members of Parliament (Life Gold Pass) Act 2002* does not include costs such as the use of COMCAR, hire-car, self-drive vehicle, taxis, parking and accommodation.

20. Senate Finance and Public Administration Legislation Committee, *Report on the Provisions of the Members of Parliament (Life Gold Pass) Bill 2002*, p. 3.

21. Australian National Audit Office, *Parliamentarians' Entitlements: 1999–2000*, Audit Report No 5 2001–02, p. 170.

22. *ibid*, p.168.

23. Hon T Abbott, MP, 'Parliament: Life Gold Pass', House of Representatives, *Debates*, 23 May 2005, Question no 433 amended, p. 149, viewed 10 April 2013

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=CHAMBER;id=chamber%2Fhansardr%2F2005-05-23%2F0186;query=id%3A%22chamber%2Fhansardr%2F2005-05-23%2F0185%22>

24. Hon G Gray, *Parliament passes Remuneration Tribunal proposals*, media release, 28 February 2012, viewed 27 March 2013, [http://www.smos.gov.au/media/2012/mr\\_142012.html](http://www.smos.gov.au/media/2012/mr_142012.html)

## Appendix 1

### Background

For a brief history of the Life Gold Pass entitlement prior to the enactment of the Members of Parliament (Life Gold Pass) Act 2002, consult [Appendix 1](#) of the Bills Digest, *Members of Parliament (Life Gold Pass) Bill 2002*.<sup>25</sup>

#### [Members of Parliament \(Life Gold Pass\) Act 2002](#)

On 27 September 2001, the Prime Minister announced proposed changes to retirement travel and other parliamentary entitlements to align the entitlements with "community standards".<sup>26</sup> The Members of Parliament (Life Gold Pass) Bill 2002 was introduced to the House of Representatives on 26 June 2002. The Bill sought to:

- codify the entitlement to retirement travel
- cap the entitlement to 25 domestic return trips per annum for former parliamentarians
- cap the entitlement to 40 domestic return trips for former Prime Ministers
- cap travel by the spouse of an eligible former Prime Minister to 40 domestic return trips with no more than 10 of these being "non-accompanying or joining" trips
- cancel the entitlement for those convicted of criminal offences and
- define "spouse", "scheduled transport service" and "commercial purpose"

There were no grandfathering provisions contained in the Bill.

For further information, consult the Explanatory Memorandum and Second Reading speeches.<sup>27</sup> The Department of the Parliamentary Library's Bills Digest No 4 2002–03 provides a plain English summary of the Bill's purpose, background and main provisions. The Bill was referred by the Senate

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25. C Field and L Manthorpe, *Members of Parliament (Life Gold Pass) Bill 2002*, Bills digest, no. 4, 2002–03, Parliamentary Library, Canberra, 2003, viewed 10 April 2013, [http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/bd/bd0203/03bd004](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd0203/03bd004); Remuneration Tribunal, Submission, Committee for the Review of Parliamentary Entitlements, Attachment 1, Life Gold Pass, 17 December 2009, viewed 10 April 2013, <http://www.finance.gov.au/parliamentary-services/submissions-received.html>
26. Hon J Howard (Prime Minister), *Parliamentary entitlements*, media release, 27 September 2001, viewed 10 April 2013, <http://parlinfo.parlInfo/search/display/display.w3p;adv=yes;orderBy=customrank;page=0;query=AuthorSpeakerReporter%3AHoward%20Date%3A27%2F09%2F2001%20%3E%3E%2028%2F09%2F2001%20Dataset%3Ahansardr,hansardr80,pressrel;rec=7;resCount=Default>
27. Members of Parliament (Life Gold Pass) Bill 2002, Bill Homepage, viewed 4 June 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query%3DId%3A%22legislation%2Fbillhome%2Fr1579%22>

to the Finance and Public Administration Legislation Committee for examination and report by 19 September 2002. The Senate Finance and Public Administration Legislation Committee's [Report on the Provisions of the Members of Parliament \(Life Gold Pass\) Bill](#) was tabled on 19 September 2002.

The Committee recommended that:

- the definition of *spouse* be broadened to achieve consistency with the [Parliamentary Entitlements Act 1990](#) where *spouse* includes a de facto partner
- it was desirable for Life Gold Pass travel to be used only for the purpose of *public service* that is, service to the Australian community.
- compliance measures should be reviewed and rebates given for travel rather than prior authorisation
- the Committee recommended that entitlements' monitoring be tightened and reviewed
- certification of travel should be mandatory
- actions taken to recover misused expenses should be reported and
- Life Gold Pass spouse travel should be reported.

The Committee reported that work value studies have shown that Australian parliamentarians are not highly remunerated. In the Committee's opinion, Life Gold Pass travel should be considered within the broader framework of parliamentary remuneration. The Committee took this holistic approach when examining the *Members of Parliament (Life Gold Pass) Bill 2002*.<sup>28</sup>

## 2012 reforms

In 2009 the Australian National Audit Office (ANAO) produced a report, *Administration of parliamentarians' entitlements by the Department of Finance and Deregulation*, which highlighted shortcomings in the management of MPs' entitlements.<sup>29</sup> The 2009 audit found that there had been no fundamental changes to the framework since the 2001 audit<sup>30</sup>, with the result being an 'entitlements framework that is difficult to understand and manage for both the Parliamentarians

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28. Senate Finance and Public Administration Legislation Committee, *Provisions of the Members of Parliament (Life Gold Pass) Bill 2002*, September 2002, viewed 26 March 2013, p. 28.

29. Australian National Audit Office (ANAO), *Administration of parliamentarians' entitlements by the Department of Finance and Deregulation*, ANAO, 2009, viewed 26 March 2013, [http://www.anao.gov.au/~media/Uploads/Documents/2009%2010\\_anao\\_audit\\_report\\_3\\_.pdf](http://www.anao.gov.au/~media/Uploads/Documents/2009%2010_anao_audit_report_3_.pdf)

30. Australian National Audit Office, *Audit Report No. 5 2001–02, Parliamentarians' Entitlements 1999–2000*, Canberra, 7 August 2001, viewed 26 March 2013, [http://www.anao.gov.au/~media/Uploads/Documents/2001%2002\\_audit\\_report\\_5.pdf](http://www.anao.gov.au/~media/Uploads/Documents/2001%2002_audit_report_5.pdf)

and Finance'. The audit supported a comprehensive review of the entitlements framework and greater transparency in the system.<sup>31</sup>

In September 2009, in response to the ANAO report, the Government set up a committee to review parliamentary entitlements, chaired by former senior public servant, Barbara Belcher. The report was handed to the Special Minister of State on the 9 April 2010 and released on 24 March 2011.<sup>32</sup> Included in the recommendations were to:

- abolish the Gold Pass and severance travel schemes for those entering parliament at or after the next election
- abolish the severance travel scheme prospectively so that it would not be available to those senators and members who enter parliament at or after the next federal election
- reduce the travel provided for existing severance travellers from 25 to 10 (and from 12 to five) return trips within Australia per annum up to the maximum of five years

The Remuneration Tribunal undertook a work value assessment of parliamentary remuneration and issued an initial report in December 2011. The recommendations reinforced those of the Belcher Review in recommending:

- the prospective closure of the Life Gold Pass scheme
- greatly limited severance travel entitlement

The Government introduced the Members of Parliament (Life Gold Pass) and other Legislation Amendment Bill 2012 on 9 February 2012. It passed the Parliament on 27 February 2012 and received assent on 6 March 2012. The Bill amended the *Members of Parliament (Life Gold Pass) Act 2002* to:

- close the Life Gold Pass scheme prospectively so that members who enter, or re-enter, the Parliament from the commencement of this bill will not be able to accrue an entitlement to a LGP and
- reduce the travel entitlements for certain LGP holders and their spouses or de facto partners

The Bill was referred to the Senate Finance and Public Administration Legislation Committee for inquiry and report by 27 February 2012.<sup>33</sup> The Committee recommended that the Bill be passed.

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31. ANAO, 2009, op.cit., pp.14–15.

32. Committee for the review of Parliamentary Entitlements, Report, April 2010, Department of Finance and Deregulation website, viewed 2 March 2013, <http://www.finance.gov.au/publications/review-of-parliamentary-entitlements-committee-report/index.html>

33. The Senate Finance and Public Administration Committee, Members of Parliament (Life Gold Pass) and Other Legislation Amendment Bill 2012, webpage, viewed 2 April 2013,

The Association of Former Members of the Parliament of Australia (AFMPA) raised a number of concerns in their submission to the inquiry concluding that a 'reduction in existing benefits is unjustified'. The AFMPA proposed a compromise:

- to reduce the number of trips to 17 rather than 10 (a 33 per cent rather than the 60 per cent reduction proposed by the Bill); or
- provide for 10 return trips in accordance with existing guidelines and up to 10 additional trips only where the user specifically identifies the purpose of the trip in relation to a specific community benefit/not for profit organisation involvement<sup>34</sup>

Following passage of the Bill the AFMPA raised the possibility of seeking legal compensation for the loss of the entitlement. It was reported in November 2012 that the AFMPA had asked the Australian Government to fund a legal challenge to the changes to the High Court.<sup>35</sup> The Special Minister of State indicated that the Government would reject the request.<sup>36</sup> At the time of publication this challenge has not eventuated.

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[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate\\_Committees?url=fapa\\_ctte/life\\_gold\\_pass/index.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/life_gold_pass/index.htm)

34. AFMPA, Submission, 16 February 2012, p.7, viewed 25 March 2013, [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate\\_Committees?url=fapa\\_ctte/life\\_gold\\_pass/submissions.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fapa_ctte/life_gold_pass/submissions.htm)
35. S Lewis, 'Ex-MPs push to regain perks', *Courier-Mail*, 2 November 2012, viewed 17 April 2013, [http://parlinfo.parlInfo/search/display/display.w3p;adv=yes;orderBy=customrank;page=0;query=%22former%20members%22%20Content%3AGray%20\(Date%3A01%2F10%2F2012%20%3E%3E%20\)%20Dataset%3Apressclp;rec=7;resCount=Default](http://parlinfo.parlInfo/search/display/display.w3p;adv=yes;orderBy=customrank;page=0;query=%22former%20members%22%20Content%3AGray%20(Date%3A01%2F10%2F2012%20%3E%3E%20)%20Dataset%3Apressclp;rec=7;resCount=Default)
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