

RESIGNATION OF SPEAKER AND DEPUTY SPEAKER

Presented by Ray Purdey, Clerk of the Legislative Assembly, Victoria at the 48th Presiding Officers and Clerks Conference – Sydney July 2017

In February 2017, an extraordinary thing happened in the State of Victoria with both Mr Telmo Languiller, Speaker and Mr Don Nardella, Deputy Speaker resigning from their official roles with the Victorian Legislative Assembly. Their resignations came because of newspaper articles alleging inappropriate claims for a second residence allowance.

Before detailing the circumstances involved in the resignations, it is necessary to provide some background about the second residence allowance. A second residence allowance is available to Victorian Members of Parliament for maintaining a second residence in Melbourne. The purpose of the allowance is to provide rural members with accommodation in Melbourne, so that they are not disadvantaged when having to stay overnight when the Parliament is in session. The allowance is provided for by way of regulation¹. A member whose principle place of residence is more than 80km from the centre of the city may claim the allowance if they maintain (rent or buy) a second residence in metropolitan Melbourne. The current value of the allowance is \$23, 659 per annum for a backbench member.

A person must reside in Victoria to be eligible for election to the Legislative Assembly². However, there is no other requirement concerning the location of a member's principal place of residence. The Regulations require members to notify the Clerk of the location of their home base (principal place of residence)³.

Mr Languiller represents the electorate of Tarneit and Mr Nardella the electorate of Melton. Neither are rural electorates as they cover outer metropolitan areas.

In December 2015, Mr Languiller relocated his principal place of residence to the seaside town of Queenscliff, 45kms from his electorate office and further away from the CBD than his electorate office. Queenscliff is more than 80kms from the centre of Melbourne and

¹ Parliamentary Salaries and Superannuation (Allowances) Regulations 2013

² Constitution Act 1975, s 44(1)(b)

³ Op. cit. Regulation 9

entitled Mr Languiller to claim the second residence allowance. At the same time, he rented another property in an inner city suburb and commenced claiming the allowance. He ceased claiming the allowance in November 2016.

Mr Nardella commenced claiming the second residence allowance in March 2010 when he established his principal place of residence in the rural city of Ballarat, which was over 60kms beyond his electorate office from the CBD. He commenced claiming a second residence allowance from that time. In April 2014, he advised that he had relocated his principal place of residence to the seaside town of Ocean Grove and continued to claim the second residence allowance. Ocean Grove is 65kms from his electorate office and beyond 80kms from the CBD. He ceased claiming the allowance in February 2017.

In mid-February 2017, the press began seeking information about where members resided. It soon became apparent to Speaker Languiller that the press were aware that he was living in Queenscliff. A journalist from the *Age* newspaper contacted the Speaker to ask some questions about his residential arrangements and the journalist indicated that he would be writing an article on the matter for the next day's issue of the newspaper. On Thursday 23 February 2017, (a sitting day) the *Age* had a front page article under the headline –

Speaker charged taxpayers almost \$40,000 to live outside electorate

Speaking at a doorstep interview when he entered Parliament that morning Speaker Languiller, said he was entitled to claim the money, but conceded it did not meet community expectations. He also stated that he would repay the allowance he received in full.

Immediately the House sat that morning a point of order was raised with the Speaker, referencing the *Age* article and requesting that he provide the House with a full explanation about those matters and about his future intentions in relation to them. The Speaker agreed to provide an explanation.

Later in the day, the Speaker provided the following explanation to the House –

I wish to advise the house that complex family matters relating to marriage, children and parents led me to rent a property at Queenscliff. In changing my principal place of residence I fully accept that my claims for allowances, whilst within the rules, do not meet community expectations. I recognise that the community expects us to be prudent in the expenditure of public funds. The claims for a second residence allowance in these circumstances do not accord with those expectations. I apologise for this error of judgement that does not meet community expectations. I apologise to the Premier, I apologise to the Leader of the Opposition and to the house, and I intend to make a full reimbursement of this allowance to the Parliament.⁴

The following extract from *Hansard*⁵ shows further interactions in the House about the issue.

Mr Clark — On a point of order, Speaker, prior to your ringing of the bells you made a statement to the Parliament about the allegations that were raised in this morning’s newspapers, and we appreciate the statement that you made and the apology that you tendered. I think it would assist in the house being fully informed about your statement and would give confidence to all members of the Parliament, and indeed to the broader community, that the rules have been adhered to if you would be prepared to make public the documentation relating to the matters that you have explained to the house — matters such as the relevant allowance claims forms, drivers logs and other relevant documentation. We understand the explanation that you have given, but that explanation in turn raises further questions. I believe in terms of accountability and demonstration of what you have told the house that it would be appropriate for you to make these documents public and available to members of the house.

The SPEAKER — Order! The manager of opposition business makes a point of order and requests a range of documents. It is the intention of the Chair to refer these matters to the internal audit committee.

Despite Mr Languiller’s apology and promise to repay the allowance he had received in full, both Melbourne newspapers – *The Herald Sun* and the *Age* – carried articles on their websites that evening questioning whether Mr Languiller should remain as Speaker. As the *Herald Sun* put it –

The Legislative Assembly Speaker should be setting and policing standards, not taking advantage of loopholes to add more fat to his significant salary of \$244,547, expense allowance of \$17,785 and use of a chauffeur-driven car.

The next morning Deputy Speaker Nardella became embroiled in the second residence saga with the *Age* carrying an article under the headline –

Deputy Speaker also claims 'second residence' allowance

The paper alleged that Mr Nardella had been caught out claiming a generous “second residence” allowance worth almost \$40,000 a year while living by the ocean miles from the city electorate he represented.

⁴ Hansard 23 February 2017 p 409

⁵ *Ibid* p 410

Both newspapers carried prominent articles on the issue the next day. The Opposition also went on the attack with the Leader of the Opposition, Matthew Guy being quoted in the *Age* as saying –

"Andrews Government MPs have been rorting the system to epic proportions," Mr Guy said on Saturday. "Daniel Andrews is presiding over a Labor Party full of unapologetic rorters. It's time these MPs paid back this money and resigned. If they don't go, it's up to Daniel Andrews to sack them."

However, despite the Premier conceding earlier on Friday that it was self-evident that the second residence allowance was meant for regional MPs who worked at Spring Street, Mr Nardella did not say he would pay the money back. Mr Nardella told Fairfax Media "It is my home, I'm claiming it".

Early Saturday afternoon Mr Languiller issued the following press release advising that he would be resigning as Speaker of the Parliament –

As I have already stated in the press and in the Parliament, I accept that my actions do not meet the very high standards that the community expects of its elected representatives.

No matter what difficult personal circumstances I may have been going through, I have to recognise it as an error of judgement and I accept that I should pay the price for that error of judgement.

I understand that offering to repay the allowance is not enough. For this reason today I contacted the Premier to inform him that I would be resigning as the speaker of the Parliament. I regret that this issue, if not addressed, could damage the position of speaker and the Labor Party that I love.

Hours later, Mr Nardella also announced he would stand down from his role as Deputy Speaker. However, in a statement issued that day he maintained that he had "acted in accordance with all rules regarding members of Parliament allowances".

In an interview with his local newspaper the *Star Weekly* on Tuesday 28 February 2017, Mr Nardella advised of his intention to retire from politics at the next election, indicating that the recent backlash over claims he made for a second residence allowance had taken a significant toll on his emotional wellbeing and influenced his decision to quit. He was also quoted as saying, "he won't be apologising or paying back the money because either implies he had done something illegal, rorted the system or lied to the public about his claims".

Despite growing public and political pressure, Mr Nardella continued to maintain that he would not repay the money he had received for the second residence allowance. Just before the House was due to resume after the expense scandal Premier, Daniel Andrews summoned

Mr Nardella to a meeting and asked him to repay the money or resign from the Parliamentary Labor Party. The following is an extract from the *Age* report of that meeting –

The embattled Mr Nardella was kicked out of the Labor Party caucus on Tuesday after he refused to pay back more than \$100,000 he'd claimed to maintain a beachside residence in Ocean Grove, rather than his Melton electorate.

Mr Andrews met with the Melton MP in the morning and put it in "very clear terms" to Mr Nardella that he should resign from the parliamentary Labor Party if he was unwilling to repay the money.

"I indicated to him as I have done for some time now that in my judgment he should repay the money that he claimed," Mr Andrews said.

"He indicated to me that he was unwilling to do that and I accordingly asked him to resign from the parliamentary Labor Party and he has done that."⁶

When the House resumed on Tuesday 7 March 2017 Mr Nardella sat in the Chamber on the cross benches as an independent member.

It became apparent that Speaker Languiller was not intending to attend the House on Tuesday 7 March 2017. While he had issued a public statement indicating he was resigning as Speaker, it was necessary that he formally advise the House of his resignation. After some encouragement, he wrote a letter to the Clerk formally advising of his resignation as Speaker. This letter was read to the House, which then set in train the process for the election of a new Speaker.

Normally the election of Speaker is a straightforward process. However, it soon became apparent that the mood of the House was quite hostile due to the actions of its former Speaker and Deputy Speaker. The Government proposed Mr Colin Brooks, the Member for Bundoora as its candidate for Speaker and the Opposition proposed Mrs Christine Fyffe, the Member for Evelyn and former Speaker as its candidate. The following excerpts from Hansard that day provides a flavour of the tone of debate during the election of Speaker.

Mr GUY (Leader of the Opposition) — I propose the member for Evelyn as the Speaker of the Legislative Assembly. This house needs someone who is independent, not a hack. This house needs an independent Speaker. This house needs someone who is going to adjudicate, not treat the Speaker's position as a stepping-stone to a ministry.

That is why I am proud to nominate the member for Evelyn, someone who is not in the paper as saying they still hold ambitions to be a minister and who will not treat that chair in a tainted way or as a stepping-stone for another job. This house has had enough of the captain's picks. We have seen captain's picks from this man end in tears. With pride, I nominate the member for Evelyn.

⁶ The *Age* newspaper 7 March 2017

Mr WALSH (Murray Plains) — I have the privilege of seconding the nomination of the member for Evelyn for the position. As all honourable members who have any decency would know, there is a crisis of confidence in the very democracy that our forefathers and our foremothers died to protect. For the first time in the 700 years history of the Westminster system we have witnessed the Speaker and the Deputy Speaker having to resign because they have been rorting the taxpayers of Victoria — the two very people who were elected unopposed two years ago to uphold the dignity and integrity of this Parliament. And they have failed, with the Deputy Speaker apparently having no remorse for his rorting of taxpayer funds in Victoria.

It is a pleasure to second the nomination of the member for Evelyn, someone who has a proven track record in conducting the business of this house in an impartial way, someone who can actually reinstate the dignity of the Speaker in this state, someone who can actually restore the confidence of Victorians in their parliamentary system.

Mr Brooks was subsequently elected as Speaker by secret ballot. The comments made by members in congratulating the Speaker on his appointment were equally contentious.

Following the election of Speaker, the House moved immediately to question time (questions without notice). The Leader of the Opposition asked the first question —

Mr GUY (Leader of the Opposition) — My question is to the Premier. Premier, if you oppose the former Deputy Speaker's rorting as you say you do, why will you not use your numbers on the floor of this Parliament to force him to repay the more than \$100 000 that he systematically rorted in the parliamentary second residence allowance when he was one of your MPs?⁷

Questions of this nature became the focus of question time for the next 2 weeks.

The election of a new Deputy Speaker took place later in the day. The process for that election proceeded in a similar manner to that of the election of Speaker. Again, the Opposition proposed an alternative candidate and a ballot required to determine the outcome. In this, case Maree Edwards, the Member for Bendigo West and Government nominee became the new Deputy Speaker.

Further allegations relating to the Member for Melton second residence allowance claims continued permeate in the daily media. It came to light that the property, which Mr Nardella claimed as his home base, was a unit in a caravan park in Ocean Grove. It was also revealed that the Ocean Grove caravan park Mr Nardella claimed to live in did not allow permanent residents. The Internal Audit Committee investigation found that Mr Nardella entered into an informal arrangement with close family members (the owners) to rent the property, which the Audit report described as potentially non-commercial (low rent).

⁷ Assembly Hansard, 7 March 2017 p 474

Mr Nardella advised that he no longer wished to claim the second residence allowance on Monday 27 February 2017. Later in March, he advised the Clerk's Office of a change in his principal place of residence.

Mr Nardella contacted the Clerk's Office in late April indicating that he wished to arrange to repay the money he had received as a second residence allowance while living in Ocean Grove. Following further discussions with the Clerk's Office and payroll, he entered into a scheme of arrangement to repay the full amount of the allowance over the life of the current Parliament.