



The Hon Brendan O'Connor MP
Shadow Minister for Employment and Workplace Relations
Shadow Special Minister of State
Federal Member for Gorton

15 June 2016

Mr Grant Hehir
Auditor-General
Australian National Audit Office
19 National Circuit
BARTON ACT 2600

By email only: grant.hehir@anao.gov.au

Dear Auditor-General

I refer to media reports concerning the wholly-owned Federal Liberal Party entity Parakeelia Pty Ltd (**Parakeelia**).

According to these reports Parakeelia is registered at the same address as the Federal Liberal Party and its directors include the current Federal Liberal Party Director Tony Nutt and Federal Liberal Party President Richard Alston.

The reports allege that:

- Most Liberal Party MPs pay Parakeelia to use its Feedback software, which generates a significant profit for the company;
- Taxpayers refund most Liberal MPs for their payments to Parakeelia through their parliamentary entitlements;
- Parakeelia donates the profits derived from taxpayer-funded parliamentary entitlements to the Liberal Party; and
- Parakeelia's donations to the Liberal Party to date exceed \$1 million.

I enclose relevant media reports.

These reports raise questions as to whether the arrangement with Parakeelia is a construct designed to manipulate the taxpayer-funded parliamentary entitlements framework to generate political donations for the Liberal Party.

As you are aware, MPs are properly permitted to seek reimbursement under parliamentary entitlements for software expenses to enable them to undertake their parliamentary duties. However, serious concerns arise about the appropriate use of Commonwealth resources where a transaction has been entered into which ultimately converts taxpayer-funded parliamentary entitlements into political donations to the Liberal Party.

Accordingly, I ask you to investigate the appropriateness of these arrangements as a matter of urgency, including recommendations for improved administration by the Department of Finance.

Thank you for taking the time to consider this matter.

Yours sincerely

A handwritten signature in blue ink that reads "Brendan O'Connor". The signature is written in a cursive, flowing style.

BRENDAN O'CONNOR MP