**Australian Health Minister Sussan Ley has resigned after using a taxpayer-funded trip to purchase an apartment on Queensland's Gold Coast.**

Prime Minister Malcolm Turnbull said he had accepted Ms Ley's resignation on Friday.

Entitlements scandals have engulfed Australian politics in recent years.

Mr Turnbull has now pledged to set up an independent watchdog, based on the UK system, to oversee parliamentary expenses.

"Australians are entitled to expect that politicians spend taxpayers' money carefully, ensuring at all times that their work expenditure represents an efficient, effective and ethical use of public resources," he said.

"We should be as careful and as accountable with taxpayer money as we possibly can be."

In her resignation statement, Ms Ley maintained she had not broken any rules, "not just regarding entitlements but most importantly the ministerial code of conduct".

However, she said the saga had become a distraction for the government.

"Whilst I have attempted at all times to be meticulous with rules and standards, I accept community annoyance, even anger, with politicians' entitlements demands a response," she said on Friday.