

**PARLIAMENTARY APPROPRIATIONS  
REPORT OF THE COMMITTEE ON THE  
THIRD TRIENNIAL REVIEW**

**March 2007**

BACKGROUND .....	1
EXECUTIVE SUMMARY .....	2
PART ONE: INTRODUCTION.....	14
Terms of reference .....	17
Report structure.....	18
Principles For Resourcing Parliament.....	19
The Process .....	20
Consultation.....	21
PART TWO: THE PARLIAMENTARY ENVIRONMENT UNDER MMP.....	23
Ten years of MMP .....	23
PART THREE: PROGRESS ON THE 2004 REVIEW .....	26
Actions Taken: 2004 Review.....	26
Assessment of Progress: 2004 Review.....	26
PART FOUR: MANAGING THE PARLIAMENTARY APPROPRIATIONS.....	30
Background to the Present Environment.....	30
The Purposes of the Parliamentary Service Act.....	31
Effect of Legislative Change .....	32
The management process .....	34
An alternative scenario .....	36
An Advisory Board.....	36
Fiscal responsibility.....	40
Travel Entitlements.....	42
PART FIVE: SERVICE CAPABILITY.....	44
General comment .....	44
The Parliamentary Service.....	44
The Way Forward .....	47
Structure and Management .....	50
Staffing within the Parliamentary Service.....	53
The Office of the Clerk.....	56
Parliamentary Information and Research.....	59
New Zealand – Australia Political Exchange.....	60
PART SIX: THE PARLIAMENTARY CAMPUS.....	62
Administration of the Parliamentary Campus .....	62
Security .....	63
Information and communications technology .....	66
Business Continuity Planning.....	70
The campus ten years' out.....	71
Food and beverage.....	73
PART SEVEN: FUNDING AND SUPPORT SERVICES FOR PARTIES AND MEMBERS OF PARLIAMENT .....	74
Parliamentary Party and Members' Support.....	74
List and Constituency Members.....	78
Bulk funding.....	81
Communication – Printing and Stationery .....	83
The Members' Handbook of Services .....	84
Other allowances.....	85
PART EIGHT: THE OUT-OF-PARLIAMENT OFFICES .....	88
Terminology.....	88
Out-of-Parliament office's image.....	89
Out-of-Parliament office's specifications .....	90
Staff training .....	91
Large electorates and Māori electorates .....	92
A Freephone Service .....	93
Hub offices.....	94
Office rental costs.....	94

Links between Out-of-Parliament offices and Parliamentary Service .....	95
Other Out-of-Parliament office issues .....	95
General.....	96
<b>PART NINE: LEGISLATIVE, ADMINISTRATIVE AND FISCAL IMPLICATIONS ....</b>	<b>97</b>
General Observations .....	97
Legislative implications .....	97
Administrative implications.....	98
Fiscal implications.....	98
<b>PART TEN: CONCLUDING REMARKS .....</b>	<b>100</b>
<b>APPENDICES .....</b>	<b>102</b>
Appendix 1: Terms Of Reference.....	103
Appendix 2: Media Release – Appropriations Review Committee.....	105
Appendix 3: Purposes of the Parliamentary Service Act 2000.....	106
Appendix 4: Functions of the Parliamentary Service Commission.....	107
Appendix 5: Political Parties Consulted.....	108
Appendix 6: Other People and Organisations Consulted .....	109
Appendix 7: Out-Of-Parliament Offices: Site Visits.....	110
Appendix 8: Mechanism for Administering out-of-Parliament Offices .....	111
Appendix 9: Parties in House of Representatives .....	113
Appendix 10: Recommendations .....	114

## **BACKGROUND**

---

The Parliamentary Service Act 2000 requires that the Speaker of the House of Representatives “at least once during the term of each Parliament establish a review committee of up to 3 persons to review the amounts of money appropriated by Parliament for the following purposes:

- (1) administrative and support services provided to the House of Representatives and to members of Parliament
- (2) funding entitlements for parliamentary purposes.”

The Act further states that “No person appointed to the review committee may be a member of Parliament or an officer or employee of the Parliamentary Service”.

The provisions in the Act pertaining to the Establishment of the Committee to Review Appropriations along with the overall Terms of Reference for each review are shown in Appendix 1 of this report. Section 21 gives direction as to the work of the review committee by stating as follows:

### **Parliamentary Service Act 2000**

*S 21(1) In carrying out its work, the review committee must consider each of the following matters:*

- a) the nature, quantity, and quality of administrative services and support services required for the effective operation of the House of Representatives;*
- b) the nature, quantity, and quality of administrative services and support services that members of Parliament require for the effective performance of their functions;*
- c) the funding that recognised parties and members of Parliament require for the effective performance of their respective functions;*
- d) the scope for efficiency gains in the delivery of administrative services and support services to the House of Representatives and to members of Parliament;*
- e) investments that may be necessary or desirable in order to further the aims of high quality representation by members of Parliament and high quality legislation;*
- f) the need for fiscal responsibility.*

In essence, the purpose of the review is to assess the need for updating, and improving on, existing services and funding for the next parliamentary term, in order to reflect the requirements of a modern institution and current expectations of how Parliament and members of Parliament should be enabled to perform. The review covers the nature, quantity and quality of services to the House, Members of Parliament (MPs) and parliamentary parties.

Further elaboration of the Terms of Reference as applied to this present Review is detailed on page 17 below.

## **EXECUTIVE SUMMARY**

---

### **PART ONE: INTRODUCTION**

- This review is the third review carried out under the Parliamentary Service Act 2000. The Act requires that the Speaker of the House of Representatives “at least once during the term of each Parliament establish a review committee of up to 3 persons to review the amounts of money appropriated by Parliament for the following purposes:
  - (1) administrative and support services provided to the House of Representatives and to members of Parliament
  - (2) funding entitlements for parliamentary purposes.”
- As with previous reviews, the purpose is to assess the need for updating, and improving on, existing services and funding for the next parliamentary term.
- This particular review has been carried out at a time of heightened interest in the workings of Parliament and its funding. The Controller and Auditor-General’s October 2006 report on Advertising Expenditure Incurred by the Parliamentary Service in the Three Months before the 2005 General Election has provided a platform for national debate on “parliamentary funding processes and procedures” acting as a catalyst in turning attention to the efficiency, effectiveness and administration of the Parliamentary Service.
- The focus for this review has been the need to enact a vast and far-reaching suite of improvements in four key areas: managing the parliamentary appropriations; service capability; the parliamentary campus; and funding and support services for parties and members including out-of-Parliament offices.
- The review has been guided by the Principles for Resourcing Parliament established by the 2002 Review and reconfirmed by the 2004 Review. Two further principles are added, one relating to security and the other to capability.
- Also guiding the review has been the need for fiscal responsibility in respect of any recommendations made.

*Recommendation 1.1 (a)*

### **PART TWO: THE PARLIAMENTARY ENVIRONMENT UNDER MMP**

- By far the most significant influence on the nature of the New Zealand Parliament over the past 10 years has been MMP (Mixed Member Proportional) which has just passed its tenth anniversary. The impact of MMP can be seen widely in both the operation of Parliament and in the work of MPs.
- Although political parties have occupied a leading role in New Zealand politics for over a century, it has only been since MMP was introduced that the electoral system has been based explicitly on political parties. This has found recognition in the way political and parliamentary systems function today and in the way resources are allocated.

- The first decade of MMP has been achieved with numerous developments and changes accommodated. It is fair to say, however, that the system is still evolving – a factor that will continue to influence the consideration of Parliament's resource needs into the future.

### **PART THREE: PROGRESS ON THE 2004 REVIEW**

- Commendable progress has been made on a number of the recommendations in the 2004 Review, notably some progress with bringing out-of-Parliament offices up to a standard, more collaboration among the five agencies on the parliamentary campus including information and communications technology, the launching of a new significantly improved parliamentary website and some strengthening of security on the campus.
- There remains, however, a genuine need for considerable improvement across a wide range of activities.
- A key recommendation in the 2004 Review, proposing a different system for providing out-of-Parliament offices, was not adopted. Consequently, problems associated with the functioning of these offices as identified in the 2004 review remain largely unresolved, and the increases in funding for parties and members associated with those proposals did not occur.

### **PART FOUR: MANAGING THE PARLIAMENTARY APPROPRIATIONS**

- At the heart of issues relating to management of the parliamentary appropriations are the provisions in the Parliamentary Service Act 2000 which guide the management and operation of the Parliamentary Service and Parliamentary Service Commission. The Act is descriptive of the roles of the various parties associated with the Appropriations expenditure.
- The cumulative effect of the legislative change that has occurred since the original Parliamentary Service Act was passed in 1985 has been to change radically the roles, functions, relationships and accountabilities that were established by that Act, in particular the roles of the Speaker and the Parliamentary Service Commission with subsequent changes in lines of accountability. There remains however a tension between the Parliamentary Service Act 2000 and the Public Finance Act 1989 in respect of the status of the Parliamentary Service (which is deemed to be a department under the Public Finance Act but not part of Executive Government under the Parliamentary Service Act).
- Unfortunately many of the practices and processes used since 2000 have not generally been in compliance with the Parliamentary Service Act. While all organisations involved in the administrative processes and procedures can be found wanting in this regard, the Speaker acted promptly to improve compliance once she became aware of the problems.
- There is no doubt that the business of Parliament has changed markedly over the past decade – the decade of MMP – but by and large the provision of administration and support systems and services have not kept abreast with the

changes encountered. To a significant extent the Parliamentary Service is constrained by the fact that the Parliamentary Service Act 2000 does not reflect a focus on MMP, particularly the greater role of parties.

- Recommendations in this report are aimed at ensuring compliance with the Parliamentary Service Act, including better support for the Speaker as Responsible Minister and enhanced relationships between the three parts of the organisation (Responsible Minister, Parliamentary Service and Parliamentary Service Commission) coupled with a more robust performance evaluation for the Parliamentary Service.

*Recommendations 4.1 (a) - (g)*

### **An alternative scenario**

- While no doubt there are facets of the Parliament which must follow prescriptive processes, there are also facets that would directly benefit from embracing certain external practices.
- To this end consideration should be given to the establishment of an Advisory Board (up to 4 independent members) to assist with governance, management, accountability and monitoring of the activities that interface between the Office of the Speaker, the Parliamentary Service Commission and the Parliamentary Service.
- Two examples of similar assistance are the Reserve Bank of New Zealand Board and the Audit and Risk Management Committee of the Office of the Controller and Auditor-General.
- The existing Parliamentary Corporation has the potential to take over the activities of the Parliamentary Service and could well be the entity which the Advisory Board assists.

*Recommendations 4.2 (a) - (f)*

### **Fiscal responsibility: Parliamentary Service and Office of the Clerk**

- Actual expenditure by both agencies over the past five years has been consistent with the expectations of the approved budgets. Budgets for 2006/07 are similar to the previous year, reflecting no major cost increases, or extension of activities being envisaged. There are no areas of concern relative to any abuse or the like associated with “the need for fiscal responsibility.”

### **Travel entitlements**

- Travel entitlements for former and currently sitting include “Retired Members and Spouses International and Domestic Air Travel” and “Members and Spouses International Air Travel and Spouses Domestic Air Travel” which applies to current MPs. Just on \$3.0m was spent in these two areas in the 2005/06 year. Further entitlements apply to former Prime Ministers.

- While there is a historical basis for these expenditures, and they are expenses that are well recognised and recorded, there are grounds for reconsidering their relevance today. A review of this overall expenditure would be appropriate.

*Recommendation 4.3 (a)*

## **PART FIVE: SERVICE CAPABILITY**

- Collaboration across the agencies that operate within the campus has advanced commendably since the 2004 Appropriations Review. This is a significant step towards greatly improved efficiency and effectiveness in the delivery of services and use of parliamentary resources.

### **The Parliamentary Service**

- A number of concerns are held about governance and accountability in relation to the Parliamentary Service. These can be summarised as a lack of customer focus, whether the Service is sufficiently resourced, frustration (by those directly involved) with overall performance, as well as employment and staffing issues plus questions of leadership.
- An Organisational Development project in 2006 identified a high degree of unpredictability in the Service's operating environment and the need for an organisational structure, technologies, systems, processes and culture to allow it to plan for the future and react appropriately to unforeseen events. The implementation of a new structure is almost complete.
- The tension between the needs of the Parliamentary Service for increased funding to meet increasing demands for services, and the perception that the Service is a growing bureaucracy, makes it difficult for the Service to anticipate and plan for the future needs of the House and members.
- The way forward is a new 'market-led customer approach' approach that would involve reconfirming the Service's customer base, establishing the actual requirements of those customers and confirmation of which requirements are able to be supplied and which are not. All operating authorities and consents as delegated should be clear, concise and understood and attended to within the appropriate legal framework.
- The establishment of an Advisory Board is recommended to assist with addressing these matters.
- A variety of staffing issues also need to be addressed, including numbers, remuneration, events-based employment, training and out-of-Parliament office staffing.

*Recommendations 5.1 (a) - (d); 5.2 (a); 5.3 (a); 5.4 (a)*

### **Office of the Clerk**

- A risk faced by the Office of the Clerk is loss of key experienced staff through retirement. A capability enhancement programme for the Office of the Clerk



should be adopted to ensure appropriate levels of institutional knowledge are maintained for future service delivery.

- The effectiveness of the current staff rotation policy for select committee support should also be re-evaluated.

*Recommendations 5.5 (a) and (b)*

- Two travel items falling within the Office of the Clerk budget should also be reviewed. These are parliamentary international travel and select committee travel. The former should be set at a level that reflects the role New Zealand is increasingly playing in the international parliamentary arena. Select committees should be able to travel internationally where first-hand observation offers genuine benefits, and subject to appropriate criteria and controls.

*Recommendations 5.6 (a) and 5.7 (a)*

### **Parliamentary Library**

- The Library, an integral part of the Parliamentary Service, provides a highly regarded service. Issues to address however include the level of funding relative to the service output required and the remuneration of staff.

### **New Zealand – Australia Political Exchange Programme**

- This programme, which funds delegations to Australia of young New Zealanders with future potential as political leaders, is worthy of being continued, with funding to allow annual delegations and a revisiting of the number of participants and selection criteria.

*Recommendations 5.8 (a) and (b)*

## **PART SIX: THE PARLIAMENTARY CAMPUS**

### **Administration of the Parliamentary Campus**

- Five agencies operate within the campus: the Department of Prime Minister and Cabinet; Office of the Clerk; Ministerial Services; Parliamentary Counsel Office; and the Parliamentary Service. Each entity has its own organisation structure and resource requirements. Certain functions are the responsibility of one entity on behalf of the others, for example on-site security and overall maintenance of the buildings. All five agencies also have common needs.
- Significant scope would seem to exist for rationalisation and/or centralisation of a range of services and functions, while allowing for the distinction between the agencies providing services to Executive Government and those providing services to Parliament.
- If the Parliamentary Service was to position itself to provide top quality services that fulfilled requirements in certain core areas, there should be natural incentives for the other agencies to want to “buy” those services.

- As matters stand at present this would be a major challenge for the Parliamentary Service. There are, however, many reasons as to why the Service should indeed set itself up, through a programme of strategic development, to deliver such products and services.
- As a start, the Parliamentary Service should confer with the other four agencies to determine, objectively, what products and services could be provided, as a cost efficient measure for mutual benefit.

*Recommendation 6.1 (a)*

## **Security**

- The business of security is a specialist industry and, as time progresses, will become more and more invasive to us all as individuals. Advances in technology will continue at pace – in many areas driven by the world of aviation. Direct interface with people will continue to provide a critical point of review, increasingly backed by various technological outputs and analysis.
- The security of Parliament and its members and staff includes responsibilities well beyond the Wellington parliamentary campus. There are 152 out-of-Parliament offices throughout the country for instance, and there are also the residences and families of Ministers and MPs.
- It is doubtful going forward whether an organisation solely based in Wellington can provide the overall assurance and outputs pertinent to the level of comfort appropriate for all involved at or with Parliament. Regardless, it is a concern as to whether a singular and unique security department, within an entity whose prime business is not the provision of security services, can be a total and leading edge provider on a consistent basis going forward.
- The agency in New Zealand with the requisite specialist capability is the New Zealand Aviation Security Service, a separate entity within the Civil Aviation Authority of New Zealand. The functions and staff of the security operations department of the Parliamentary Service would best be transferred to this agency on an outsourcing basis.
- There are a limited number of alternative agencies to whom this function could be outsourced.

*Recommendations 6.2 (a) and (b)*

## **Information and communications technology**

- Information and communications technology (ICT) in the parliamentary environment was described in the 2004 Appropriations Review as an “essential tool for members of Parliament and for the operation of Parliament”, and a significant area for ongoing investment.
- Major advancements in collaboration on ICT among the five agencies within the parliamentary complex have been made since 2004 and between the Office of

the Clerk and Parliamentary Service to develop the new parliamentary website. These collaborative initiatives are indicative of the way of the future.

- There is an overdue need for someone to take a clear, mandated and properly resourced leadership role. The Parliamentary Service should take on this role for the whole campus. It already owns and manages the infrastructure for the campus. Hampering the assumption of this role is the lack of personnel in the Service's structure – there is a Group Manager and one assistant.
- This leadership role is one that should include developing the future vision for ICT on the parliamentary campus and taking direct responsibility for bringing the out-of-Parliament offices into the ICT loop.

*Recommendation 6.3 (a)*

### **Business Continuity Planning**

- There does not appear to be any one of the five Parliamentary agencies providing a coordinating role to ensure that there is an overarching plan for disaster recovery and the continuation of the business of Government and Parliament in the event of a major incident on the campus. Urgent work is necessary on the subject of Business Continuity Planning.
- The Department of the Prime Minister and Cabinet is best placed to take responsibility for coordinating and monitoring the appropriateness of all disaster recovery plans as promulgated by each of the five agencies within the parliamentary campus.
- Also the Officials Domestic and External Security Committee should take urgent steps to ensure there is a practical plan in place to reinstate the operations of Parliament expeditiously should a major catastrophe render the current central Wellington site inoperable for any reason.
- A special funding allocation should be confirmed to ensure whatever facilities (and prior study) are deemed necessary to achieve such a plan can proceed as a priority.

*Recommendations 6.4 (a) - (c)*

### **The campus ten years' out**

- While the issues of campus administration, security, business continuity planning and ICT each have immediate concerns to be addressed, there is also a need to be planning for the longer-term development. Ten years out is a sensible time horizon to be considering.
- There appears limited consideration being given to the longer-term view of the ongoing and future needs of Parliament, and for thinking about the factors that will affect the shape and size of the campus, and the services that might be required in the future.

- The future development of the parliamentary campus is multi-dimensional and will require multi-dimensional planning and management.
- The Parliamentary Service should be given the responsibility of creating a long-term strategy for the development of the parliamentary campus.

*Recommendation 6.5 (a)*

### **Food and beverage**

- The quality, product range, service and pricing of Bellamy's outputs was identified as being of concern. New criteria appropriate to the image of Parliament are required.

*Recommendation 6.6 (a)*

## **PART SEVEN: FUNDING AND SUPPORT SERVICES FOR PARTIES AND MEMBERS OF PARLIAMENT**

- Submissions to the review identified a number of areas where parties believed a case could be made for additional funding in one or other budget categories.
- The most pressing need however, expressed universally, was for relief for the costs of running out-of-Parliament offices, most particularly in respect of rent and the cost of complying with health and safety standards and with upgrades identified in Parliamentary Service compliance audits. Rent variances around the country have a large impact on out-of-Parliament office costs, and leave some MPs with little to come and go on for other direct costs charged to their support budgets.
- Smaller parties hold ongoing concerns regarding their desires and aspirations relative to the impact they can achieve across a broad range of parliamentary activities, such concerns generally predicated by financial constraints.
- Many suggestions were made on what might be an appropriate financial adjustment to the various categories of support.
- A simple, equitable and reasonable approach was to associate adjustments with the level of inflation over the period since the amounts were first established in 1996. The question then became how to apportion the CPI increase since then, rounded at 23% (allowing for the fact that some adjustments had already been applied during the period of MMP).
- This approach provides recommended increases that in the main range around 10%. It is proposed that these rates apply from 1 July 2007.

*Recommendations 7.1 (a) - (e)*

## **List and Constituency Members**

- The possibility of closing the differential between the resources made available to List and Constituency MPs is becoming more of an issue as time goes on.
- While views on the relative roles of List and Constituency MPs differ, it is common ground that both List and Constituency MPs have important roles in the interface between Parliament and the public. For this reason alone, List MPs are provided with resources to operate local offices.
- The proposals for adjusting Members' Support allocations provide for increases for all MPs and marginally reduce the differential between List and Constituent MPs potentially providing more scope for List MPs to undertake local work.

*Recommendations 7.2 (a) and (b)*

## **Bulk funding**

- Since the 2004 Appropriations Review there has been some renewed interest in the use of bulk funding for some aspects of support funding.
- MPs and parties already have a degree of discretion over how they deploy their support budgets. The advantages and disadvantages of extending bulk funding to cover more, if not all, categories of party and Member expenditure are finely balanced.
- The advent of true bulk funding would provide a degree of flexibility and decision-making not previously contemplated, and alleviate pressures on funding the various elements of the individual parties and their infrastructure. However, it would come with the need for certain disciplines to be exercised in a definite manner.
- A detailed analysis by an expert external organisation would allow the mechanisms and support systems required to introduce bulk funding to be identified and considered in detail.

*Recommendations 7.3 (a) and (b)*

## **Communication – Printing and Stationery**

- There are anomalies in the way MPs' printing and stationery costs fall. These would be resolved by disaggregating costs associated with printing and stationery within MPs' Communications appropriations and reallocating these on a direct user-pays basis.

*Recommendation 7.4 (a)*

## **The Members' Handbook of Services**

- The handbook provided to members by the Parliamentary Service is a very valuable source of information, but there is some uncertainty over its status in terms of the Parliamentary Service Act 2000.

- Replacement of the Members' Handbook of Services with comprehensive directions is underway, and should be expedited.

*Recommendation 7.5 (a)*

## **Other allowances**

### *Mileage allowance*

- While there are no strong grounds for increasing the amount of the per kilometre allowance paid to reimburse MPs for travel using their private vehicle, there is room to enhance administration of the reimbursement process by ensuring the correct rates are indeed being accessed by all participants.
- A "logbook free" reimbursable mileage allowance of 5000kms per annum would be appropriate.

*Recommendation 7.6 (a) and (b)*

### *Wellington accommodation allowance*

- No adjustment to the allowance has been made since late 2003. It is now out of kilter with current central Wellington accommodation rates and an increase is recommended.

*Recommendation 7.7 (a)*

## **Transfer of surplus hours**

- Parliamentary parties sometimes end the financial year with a collective surplus of staff hours, if totalled across all office functions. The question that arises is whether this could be treated as an "hour bank" able to be converted to a monetary equivalent for other uses including staff bonuses. In the absence of bulk funding (which would cater for discretionary re-allocations) it is hard to see how an equitable solution for all staff could be introduced.

## **PART EIGHT: THE OUT-OF-PARLIAMENT OFFICES (OOPs)**

- The out-of-Parliament offices are a key part of the services MPs provide to the public. For the majority of New Zealanders these offices are their prime (and in most cases) only contact with Parliament. A number of matters require attention and rectification. These include:
  - A new description to replace the current acronym "OOPs" as it applies to the offices and staff. *Recommendations 8.1 (a) and (b)*
  - A re-appraisal of the image projected by MPs' out-of-Parliament offices and an improved image standard confirmed. *Recommendations 8.2 (a) and (b)*
  - An appropriate benchmark standard for the overall quality of out-of-Parliament offices, in conjunction with a process for addressing non-compliance. *Recommendations 8.3 (a) - (c)*
  - An ongoing staff training programme that is consistent with normal practice of today, to cover both the parliamentary campus and the out-of-Parliament offices. *Recommendations 8.4 (a) and (b)*

- More support for out-of-Parliament offices in the very large electorates, and the Māori electorates. *Recommendation 8.5 (a)*
- Trialling of a freephone service for electorate MPs in large electorates. *Recommendation 8.6 (a)*
- A range of out-of-Parliament office base rental costings to be gathered and monitored providing for identification of subsequent assistance if pertinent. *Recommendations 8.7 (a) and (b)*
- Improved connectivity between out-of-Parliament offices and Parliament itself. *Recommendations 8.8 (a) and (b)*
- The logging of information by out-of-Parliament offices to allow a more proactive and targeted approach to “problem solving”. *Recommendation 8.9 (a)*

Other issues needing to be addressed include the process for hireage and sign-off of rental cars for MPs, the accounting service provided to MPs, meeting the cost of signage changes resulting from changes in electorate name, access to ICT by volunteers working at Parliament and out-of-Parliament office security.

## **PART NINE: LEGISLATIVE, ADMINISTRATIVE AND FISCAL IMPLICATIONS**

The proposals set out in the Report carry a range of legislative, administrative and fiscal implications which will need to be investigated.

Budgetary provision will need to be made for the recommended increased allocations for Member and Party Support. In addition a further \$2.0 million budgetary provision is recommended to cover expenditure directly associated with other recommendations.

*Recommendation 9.1 (a)*

## **PART TEN: CONCLUDING REMARKS**

- There has been great change experienced over the past “MMP” decade. Management in its various shapes and guises has been rather slow to recognise and adapt to the change.
- Changes in the system of administration will require extensive goodwill and a new culture in the governance and management relationships linking the Parliamentary Service, Speaker’s Office and Parliamentary Service Commission. There is a general desire across all players to see immediate improvement. Moving forward in the ways proposed in the report, particularly the establishment of an advisory board to a restructured Parliamentary Corporation, would certainly assist in both the short-term and long-term.
- Recommendations are put forward in the report to improve governance and management, along with recommendations proposing additional resourcing or better administration of existing resources. All recommendations are designed

to enhance the support provided to members of Parliament and the political parties they represent.

- The reviewer believes the recommendations made within this report fulfil the intent of the Triennial Review process as set out in the Parliamentary Service Act 2000.



## **PART ONE: INTRODUCTION**

---

This 2007 Review is the third such review as promulgated by the Parliamentary Service Act 2000, the first being carried out in 2002 and the second in 2004. The inconsistency of these years relative to the fact that the review is a triennial requirement is driven by the need to determine an appropriate time within the particular Parliamentary term, to carry out the review. This is potentially important in respect of including any fiscal recommendations that might be noted within the review and in due course deemed appropriate and therefore needing to be included in the Minister of Finance's following Budget.

The overall recommendations within this report are nominated in Part Nine and to assist in the budget implementation process a nominal figure has been foreshadowed relative to the 2007/2008 financial year.

The Committees which carried out the two previous reviews comprised three members, with each committee having a designated Chairman. Also on each previous occasion the Committee chair was an "external independent" individual being assisted by two former Members of Parliament. In 2002 a former Minister and a former MP and in 2004 two former Ministers. On each previous occasion the former Members were representatives of the two major political parties.

On this occasion the membership of the Committee was nominated as being a single member. The media release noted as Appendix 2 refers. Reference is made within this media release to the fact that I was involved in the last review, with my having carried out the role of Chairman of the 2004 Review Committee.

It is indeed both a privilege and an honour to be selected to carry out this particular review and I am most grateful to once again have the services of Adrienne von Tunzelmann as Advisor to the Committee. Ms von Tunzelmann has assisted in this capacity on each of the three reviews carried out to date.

In noting this, I do however suggest that, as her and my involvement with these reviews has been somewhat unique in respect of participation, it may be timely for a "new team" to undertake the Fourth Triennial Review when scheduled.

Having had the personal experience of working on the review as Chairman both of a committee involving former members, and now in essence as a "one man band", I feel I should comment on the benefits or otherwise of the two alternatives as I see them.

In this regard I first state the obvious. It is much easier to arrange meetings, schedules, work plans etc. for a single attendee than it is for a trio. Numerous similar efficiencies follow in respect of interview plans, follow-up actions, report considerations and the like.

As suggested there are many benefits in respect of efficiency and effectiveness. There is however one major and significant difference that I have observed between the two occasions of my involvement. Without doubt all those who had input to both the second and third reviews were much more direct and forthcoming in presenting to me on this third occasion than via the second committee occasion.

This was particularly noticeable in respect of submissions received and interviews held with the eight political parties (seven in respect of the 2004 Review) – see Appendix 5. I found the discussions with the political parties much more helpful this time than I recall in 2004. Even though there was balance relative to there being a former representative of each of the major parties in 2004, in retrospect one now recalls a slight reluctance to fully consider all political party items of relevance to that time. As a critical part of the work of the committee is to consider support and services in respect of efficiency and effective performance of MPs, it is most important that parties (and more particularly the minor parties) do not feel constrained in respect of submissions and discussions.

A similar occurrence happened in respect of meetings with officials and others. On each occasion I found the information exchange to be of considerably more relevance than a number of the interviews and meetings associated with the 2004 Review. In this respect it should be noted that in virtually all meetings/interviews/discussions Ms von Tunzelmann was also present, as indeed was the case in 2004.

In summary I found the singular approach of 2006/07 to be more effective than 2004 although I do have to ask, without my personal experience of the 2004 occasion, would I have been able to operate singularly on this occasion. I am not sure.

I therefore have made the following recommendation as to the membership of the Fourth Triennial Review Committee.

### **Recommendation**

- a) Given that the 2007 Committee was also involved with the 2004 Review that new participants be involved next time consisting of two external and independent persons, with each being designated joint chairperson. An Executive Assistant should also be appointed.

I must also record that this particular review has been carried out at a time of heightened interest in the workings of Parliament and also the funding thereof. The Controller and Auditor-General's October 2006 Parliamentary paper entitled "Advertising Expenditure Incurred by the Parliamentary Service in the three months before the 2005 General Election" has created an environment wherein what I will term "Parliamentary funding processes and procedures" – and many associated subjects – have become not only parliamentary campus topics of debate – they have also provided platforms for national debate.

As a result of the Controller and Auditor-General's report a new control environment is now being implemented to improve accountability for the category of expenditure which falls within "other expenses to be incurred by the Crown".

It is difficult to determine the degree to which enthusiasm towards this Third Triennial Review has been underwritten by the timing of the Controller and Auditor-General's report but undoubtedly it did act as a catalyst in turning attention to the efficiency, effectiveness and administration of the Parliamentary Service. In this respect when having regard to the outputs of the Parliamentary Service it should be noted that the principal duties of the Parliamentary Service are:

- to provide administrative and support services to the House of Representatives and to Members of Parliament, and

- to administer, in accordance with directions given by the Speaker, the payment of funding entitlements for parliamentary purposes.

When considering these principal duties of the Parliamentary Service it is also pertinent to consider the Purposes of the Parliamentary Service Act. These Purposes are noted in Appendix 3. Within the said Purposes it is interesting to note Section 4(b) “to provide for the governance arrangements of the Parliamentary Service, in particular, by making the General Manager of the Parliamentary Service responsible to the Speaker”.

My reason for noting this particular point as interesting is that as the review progressed it became evident that a number of issues existed between the Speaker, as Responsible Minister, and the Management of the Parliamentary Service. The Parliamentary Service Commission was also quick to highlight a number of “issues,” albeit of varying magnitude that they also had with the Parliamentary Service. The functions of the Parliamentary Service Commission are noted within Section 14 of the Parliamentary Service Act 2000 and are enumerated in Appendix 4.

Conversely the Parliamentary Service itself cited numerous occurrences of events and commentary that they felt were quite unfair criticisms of their function and performance.

The collective thoughts of all parties directly involved with the management of the Parliamentary Service Act 2000, were however unanimous on – for many and varied reasons – one point in particular – all was not well, there were problems. This situation was identified by all directly involved very early in the Review, and in this respect provided a quite different starting point to the 2004 Review.

I comment further on the predicament I describe as “all not being well” at various points throughout the Review. What I have not done however is to conclude that the Parliamentary Service, and the Parliamentary Service alone, is directly to blame for the many shortcomings that have been identified herein.

In my opinion there are many reasons as to why the Parliamentary Service and those who are reliant upon it, today find themselves operating in a somewhat unpredictable environment, reflecting in many instances a lack of clear direction and accountability. To a significant extent the Parliamentary Service is constrained by the fact that the Parliamentary Service Act 2000 does not reflect a focus on MMP, particularly the greater role of parties.

Accordingly I have found it pertinent to be somewhat more direct with my commentary within this Review and to approach the situation placing more emphasis on “what needs to be addressed” and in a number of areas offering considered suggestions as to how improvement might be enacted.

Less focus is placed on the two previous reviews and their achievements or otherwise – the real focus this time has been placed on the current situation, the current problems and the need to enact a far-reaching suite of improvements.

Alongside the work of this Review the State Services Commissioner has been asked to provide interim assistance to ensure proper change management processes are put in place to cover the current lack of capacity within the Parliamentary Service. In the first instance this is to assist with the extra administrative work associated with

the recommendations arising from the previously mentioned report of the Controller and Auditor-General.

In late November Deloitte was engaged by the Parliamentary Service in consultation with the State Service Commissioner to carry out this work.

I have felt it appropriate to provide the above introduction to allow a better understanding of the general backdrop against which this particular Review has been carried out.

Please note that this review does not deal with any matters that fall within the scope of the Remuneration Authority which has jurisdiction over the remuneration of elected members of Parliament.

Within this Review I make considerable comment on the need for extra management input and application, for increased governance and accountability, and for serious consideration to be given to a new structure, in essence a corporate structure.

The “Work of the Review Committee” as noted within the Act Section 21(1)(e) states the Committee must consider – investments that may be necessary or desirable in order to further the aims of high quality representation by members of Parliament and high quality legislation.

In this respect I have not assumed that investment is defined as being of a strict financial nature only. Hence my advice on management and structure which is also advice relating to investment – possibly in this case, more important as of now, than financial.

Regardless, investment in organisational structure, systems, capability and people and associated overhead all have a “price tag” at the end of the day, typically of very real significance. In my experience virtually all elements of management within an organisation have an eventual cost, and in most cases this cost translates into a fiscal impact.

## **Terms of reference**

The statutory terms of reference for appropriation reviews are set out in full in Appendix 1.

The first Appropriations Review in 2002 summarised the purpose of reviews as including examination of:

- The effective operation of the House, and the effective performance by MPs and parties, of their respective functions
- The efficient delivery of services
- Investments that may further the aims of parliamentary representation and the production of legislation
- The need for fiscal responsibility.

These matters are, accordingly, covered in my review.

As indicated earlier in my Introduction, my review includes a range of governance and management issues that came through in the course of my inquiries and in

submissions presented to me. To me, these have a strong bearing on both the “effective operation of the House, and the effective performance by MPs and parties of their respective functions” and the “efficient delivery of services”. Amounts of money appropriated by Parliament for administrative and support services for the House and MPs can only achieve their objectives if the systems of governance and management are operating well. Any shortcomings will diminish the quality of services provided and the outcomes that can be attained. In this regard the Parliamentary Service comes into particular focus because of its responsibility, as set out in the Parliamentary Service Act, (Section 11(d)) for “the efficient, effective, and economical management of the activities of the Service”.

As noted above in my report (page 17), in addressing governance and management issues there is always a degree of new investment, whether immediately financial or ultimately financial, in that qualitative improvements to services, and how they are delivered, will require specific resources.

## **Report structure**

My report is structured around four key areas:

- Managing the Parliamentary Appropriations
- Service capability
- The parliamentary campus
- Funding and support services for parties and members.

I also address a number of miscellaneous items raised in the course of consultation.

Before proceeding with each of these areas, I set out the principles and the process I used for the review. I also include a commentary on the impact MMP has had on the parliamentary environment as related to the resourcing of Parliament and its Members, and I also report on progress made on the recommendations of the 2004 Review Committee.

I conclude my report with a summary of my recommendations and an overall assessment of the direction of my findings.

In the course of the review I was supplied with a number of useful documents not all of which are directly referenced in my report. An extract from one of these, a list of all the parties in the House of Representatives since 1981, is included as Appendix 9 as an example of such documentation.

This particular chart highlights the extent of change that has occurred over the period leading up to and following the introduction of MMP.

At various points in this Report reference is made to the “five agencies” (on campus). This nomenclature covers the grouping of Department of Prime Minister and Cabinet; Office of the Clerk; Ministerial Services; Parliamentary Counsel Office and the Parliamentary Service.

## Principles For Resourcing Parliament

The two previous reviews have both reflected on first principles when considering any proposal or suggestion to increase resources by asking the question, "In what way might Parliament and democracy be enhanced by introducing or doing this?"

Consideration was also given to whether the proposal or suggestion would in particular:

- serve democracy better, for example through improving accessibility to Parliament and to MPs;
- help MPs to work more efficiently and effectively;
- improve communication between MPs and their constituencies and/or communities.

A more complete matrix was used by the previous review committee that enumerated eight specific *Principles for Resourcing Parliament*. It is interesting to note that a number of the political parties interviewed made specific reference to the principles as noted in the 2004 Review.

I have reflected on these principles at some length and conclude that by and large, they continue to be pertinent.

I have however adopted two further principles at (i) and (j) which I believe are also appropriate to the ongoing considerations of parliamentary resourcing in an MMP environment.

### **Principles for Resourcing Parliament in an MMP Environment**

These are principles that:

- (a) Recognise the distinct history of the New Zealand Parliament, including its long history as a single chamber (unicameral) Parliament, in contrast to most Westminster-style Parliaments.
- (b) Recognise the evolving nature of Parliament (the changing demands on the work of Parliament, parliamentary parties and MPs, changing relationships between Parliament and the Executive and the changing demographics of New Zealand's population as is reflected in the ethnicity, culture and values systems of today).
- (c) Maintain a balance between the resources available to a government and to Parliament, given Parliament's role in holding government to account.
- (d) Enable Parliament to serve the democracy of New Zealand better, especially in terms of an open accessible Parliament.
- (e) Support MPs to do a more effective job and to work more efficiently.
- (f) Recognise the fundamental importance of information to a modern Parliament and of communication between Parliament and the public, including communication between MPs and their constituencies and communities.
- (g) Utilise the advantages of information and communications technology.
- (h) Assist Parliament and MPs in building greater awareness and respect for the work of the Parliament and the MPs.
- (i) Provide for the function of Parliament being conducted within a safe and secure environment.
- (j) Enhance the capabilities of all participants and staff associated with the business of Parliament.

My terms of reference also require me to consider the need for fiscal responsibility in respect of any recommendations made. I have again applied the three criteria used by the 2004 Review Committee and routinely used across government to evaluate expenditure proposals:

- The additional resource must improve the quality of services (in this case, services to Parliament and to MPs); and/or
- It must address an identified risk of future service failure; and
- Before new resources are committed, there should be evidence that existing resources are being used effectively.

I am satisfied that my proposals and/or recommendations noted within this Review meet these tests. In respect of fiscal responsibility I have also considered current levels of expenditure and report thereon within the section headed “Fiscal Responsibility” page 40.

## **The Process**

As per the practice employed within the previous Reviews the Committee invited submissions from a wide variety of sources, predominantly based within the Parliamentary complex and including all MPs, the Leaders and Whips of the parliamentary parties, the unions operating within the complex and other individuals who had a present or past but direct association with the Parliamentary Service.

I did not see any reason to go beyond what I will term known stakeholders.

The main inputs from those who contributed came either from written submissions or personal interviews – or in some cases a combination of the two.

Inputs were sought and received from all political parties represented in Parliament, from senior officials of the Parliamentary Service, key government agencies, the Office of the Clerk, the Office of the Controller and Auditor-General and others. A full list of those interviewed is given in Appendices 5 and 6.

A number of matters were also referred for my consideration from the Parliamentary Service Commission.

The 2004 Committee visited 28 out-of-Parliament offices ranging from Kerikeri in the Far North to Invercargill in the south. City, urban, provincial and rural offices were visited, representative of all parties. It was not felt necessary to repeat the same exercise to this extent on this occasion. However, visits were made to 10 offices to ascertain whether any new issues had been identified, and to whether previously identified problems and concerns had been, or were being, attended to.

It should be recorded that I did receive additional examples of out-of-Parliament office concerns during my enquiries.

I also visited the Parliamentary Library, a sample of MPs’ in-Parliament offices, the new select committee rooms and the new security facilities and watch-room.

Given concerns expressed in the course of the Review relative to the administrative role and functions of the Parliamentary Service (referred to in Part One above), numerous meetings were held with various staff and former key staff of the Service.

All told, I met with a total of 76 people over the course of the review. (This is not including my consultations with all of the party caucuses on the draft report.) This involved nearly 80 separate meetings, discussions and interviews. I also received a number of written submissions and a range of research and other background material.

While the Review was underway a number of practitioners with specific consulting or advisory skills were appointed for specific tasks associated with the administration and management of the Parliamentary Service. Contact was made with each of these, in some instances to learn from them and in others to advise or share information with them.

My approach was relatively informal and meetings were held to suit participants, including evenings. All participants were provided with whatever time they needed.

I do record my thanks to all for the frank, cordial and sincere inputs to our meetings and interviews.

While views varied widely on what aspects of resourcing in Parliament could be improved, I found a reasonable degree of consensus among MPs and parliamentary parties on what they regard as the core issues within the present arrangements for supporting MPs, parliamentary parties and Parliament.

These views were also echoed in comments provided to me by other stakeholder departments.

As further input to my deliberations I examined the key accountability documents of the Parliamentary Service and Office of the Clerk – the Annual Reports and Statements of Intent.

## **Consultation**

As required by Section 21(2)(b) of the Parliamentary Service Act 2000, I also consulted the Parliamentary Service Commission on my draft recommendations prior to submitting this final report to the Speaker of the House.

A draft copy of this Report (dated 9 February 2007) was circulated to the Parliamentary Service Commission at its meeting of 12 February 2007. Meetings were then held with the political parties and the Parliamentary Service over the two days of February 27 and 28 to gather feedback and comment on this draft.

As well contact was maintained with the Speaker relative to the commentary received on the final draft.

In essence what transpired was that I received comment (both written and oral) from various quarters on the draft report, some favourable, some unfavourable, some extremely detailed and some broad.

Further consideration was given to all points of substance resulting in a number of “changes, corrections or considerations” to the draft. As well data which had not been able to be incorporated in the final draft, because of timing, has now been added.



I would also like to record that the consultation process pertinent to this, the 2007 Review, has been much more embracing than that enacted relative to the 2004 Review.

In broader terms I do realise some of the recommendations I make may well be contentious, even controversial.

However at the end of the day it is Parliament who will decide which, if any of the Recommendations I have made, are worthy of acting upon. In most instances further work will be required to enact any or all of the Recommendations and in some cases a change in legislation will be required.

Regardless I have signalled to the Speaker my willingness to further assist if required.

## **PART TWO: THE PARLIAMENTARY ENVIRONMENT UNDER MMP**

---

### **Ten years of MMP**

Both previous reviews emphasised the importance of the New Zealand parliamentary tradition and the long-established roles of Parliament and its Members. The two reviews recognised, also, that parliaments constantly evolve, as do the demands on Members of Parliament.

By far the most significant influence on the nature of the New Zealand Parliament over the past decade has been the advent of MMP (Mixed Member Proportional) which has just passed its tenth anniversary. The impact of MMP can be seen widely in both the operation of Parliament and in the work of MPs.

The following are some key statistics reflecting changes that have occurred over the period of MMP:

- The current Parliament comprises 121 MPs compared with 99 in 1993 pre-MMP.
- Of 121 MPs today, 69 are currently constituency MPs, (including seven who represent Māori seats), and 52 are List MPs.
- There were eight parties elected to Parliament in 2005 compared with the four elected at the 1993 election, the last before MMP.
- Over the period since the first MMP Parliament the number of parties has trended as follows:

1996 to 1999	6 parties represented in Parliament
1999 to 2002	7 parties represented in Parliament
2002 to 2005	8 parties represented in Parliament
2005 to present	8 parties represented in Parliament

This compares with a different picture in the three Parliaments pre-MMP:

1987 to 1990	2 main parties elected, 1 more formed
1990 to 1993	3 parties elected, 2 more formed
1993 to 1996	4 parties elected, 4 more formed.

Appendix 9 provides further detail on the above changes.

- With the advent of fewer electorates under MMP, the average electorate has increased 53 percent in geographical size, and 69 percent in total population size between 1993 and 2005. The average geographical size of the 95 general electorates in 1993 was 2,912 sq. km, compared to the average 4,462 sq. km. size of the 62 general electorates in 2005. In terms of the total resident population (including Māori), the 69 constituency MPs each now represent an average of 59,421 constituents compared with an average of 35,163 constituents for each of the 99 electorates pre-MMP.
- For each of the seven Māori constituencies, there was an average 29,715 electors on the Māori Roll in 2005, 17 percent higher than the

average of 25,396 electors on the roll for each of the four Māori electorates in 1993.

- The number of out-of-Parliament offices has increased from 120 in 1998 to 126 in 2002 and to 152 currently. Of the current out-of-Parliament offices, 104 are associated with Constituency MPs and 45 with List MPs. There are a further three offices shared by Constituency and List MPs.

Although General electorates under MMP are now larger in both population and geographic size and there are more people enrolled in the Māori electorates, there are also more MPs in total, more parties represented in Parliament, and a greater number of out-of-Parliament offices. This highlights three important 'net' consequences of the move to MMP: first, a greater level of representation for New Zealanders in Parliament; second, a greater degree of choice for people over how they are represented; and third, greater access to a member of Parliament, whether List or Constituency.

The statistics also illustrate the more complex and demanding environment in which MPs and parties operate. The opportunity for public participation in the processes of Parliament has widened, MPs and parties are dealing with the more diverse make-up of Parliament, the multi-party setting gives more significant roles to smaller parties and, parliamentary parties have assumed greater significance relative to the role of the individual MP.

Although parties have occupied a leading role in New Zealand politics for over a century, I note that it has only been since MMP was introduced that the electoral system has been based explicitly on parties. This has found recognition in how the political and parliamentary systems operate and in how resources are allocated – both of which are relevant context for my review:

- Regarding the political and parliamentary systems – the electoral and parliamentary systems now recognise parties as “primary political actors”<sup>1</sup>. That said, commentators<sup>2</sup> have also observed that, with some provisos, the opportunities for individual MPs to influence parliamentary decision-making have been at least partially enhanced, especially through select committees, which now play a more important role in policy-making and provide a wider forum for MPs to express their independent views. Select committees are also better resourced and are seeking independent advice from sources other than government departments.
- Regarding resource allocation – since the mid 1990s, in the run-up to, and immediate aftermath of the change to MMP, appropriations to Vote Parliamentary Service have explicitly recognised parties. Prior to then, the various funding entitlements in Vote Parliamentary Service were focused on individual MPs. From the mid-1990s these

---

1 As described by the Clerk of the House, David McGee, in his book *Parliamentary Practice in New Zealand* (3rd edition), page 83.

2 For example: Grant Gillon and Raymond Miller, “Role of an MP”, in Raymond Miller, (ed.), *New Zealand Government and Politics*, 4th edition, Oxford University Press, South Melbourne, 2006, p. 176; Fiona Barker and Stephen Levine, “The Individual Parliamentary Member and Institutional Change: the Changing Role of the New Zealand Member of Parliament”, *The Journal of Legislative Studies*, Vol. 5, Numbers 3 / 4, Autumn / Winter 1999, pp. 125-126.

appropriations have become increasingly focused on parliamentary parties, in particular the appropriations for Leaders' offices and the Whips' offices including the parliamentary party research operations.

- Appropriations have recognised the changes resulting from MMP, although the Parliamentary Service Act itself has had no change made to it, to recognise the dominant position that parties now hold under MMP.

Another key factor in the MMP environment is the introduction of List MPs alongside Constituency MPs – which is also pertinent to my review. Constitutionally, there is little to distinguish Constituency and List MPs in terms of roles and activities. Nevertheless, it has been suggested that the introduction of MMP, and the two categories of MP, has highlighted the distinction between the representative role in providing local constituency services (as in the role of the Constituency MP) and the List MP's role in representing particular policy agendas that go across geographical boundaries.<sup>3</sup>

I comment at some length on List and Constituency MPs in Part Seven where I discuss funding and support for parties and members of Parliament.

In summary, the first decade of MMP has been achieved with numerous developments and changes accommodated. It is fair to say, however, that the system is still evolving. The implications for resourcing Parliament, including the parliamentary parties and members, are obviously always going to be playing out – a situation I take into account in my consideration of resource needs looking forward.

---

<sup>3</sup> Stephen Church, "Representative Roles Under MMP: 'A Bugger's Muddle?'. New Zealand Political Change Project, Victoria University of Wellington. Paper presented to Australasian Political Studies Association Conference, 2001.

## **PART THREE: PROGRESS ON THE 2004 REVIEW**

---

### **Actions Taken: 2004 Review**

As with the 2004 Review, I obtained progress reports on the actions completed relative to the recommendations therein. This provided me with a basis for identifying any unresolved issues from that Review.

The Parliamentary Service and Office of the Clerk provided me with a schedule outlining the actions taken on the 2004 review report recommendations. These are summarised in the tables that follow.

### **Assessment of Progress: 2004 Review**

Based on these tables it can be seen that in some areas definite and commendable progress has been made on the recommendations in the 2004 review. In others, there has been a marked lack of action. In some key areas decisions were made not to proceed with certain recommendations. In other areas a lack of clear direction has impeded progress.

Areas worthy of comment are:

- A key recommendation in the 2004 report, proposing a different system for providing out-of-Parliament offices, was not funded, with the result that problems identified in the 2004 review remain largely unresolved. I do note however that some progress has been made with bringing out-of-Parliament offices up to a more acceptable standard.
- The increases in funding for parties and members associated with the 2004 proposals for out-of-Parliament office provision therefore did not occur.
- Information and communications technology has seen more collaboration with the establishment of the Joint Agencies Committee and a joint strategy intended to cover the parliamentary campus. However no long-term strategic plan for ICT development on campus or the leadership thereof has evolved.
- A new parliamentary website was launched in October this year.
- Security has improved with the new screening system installed in the entrance foyer of the Executive Wing, the installation of additional closed circuit television cameras in various locations and the substantial increase in the number of security staff. There is however general acceptance that much is still to be done.

It is pleasing to see progress, but, given the magnitude of challenges facing the parliamentary campus and the out-of-Parliament offices, I believe there remains a genuine need for considerable improvement across a wide range of activities which are reflected within my recommendations.

## Summary of Actions on 2004 Review

RECOMMENDATION	ACTION ADVISED ON RECOMMENDATIONS	REVIEW COMMENT
<b>Out-of-Parliament Offices</b>	The 2004 Review Committee made 10 recommendations based on the proposal that the Parliamentary Service take over responsibility for leasing, furnishing and equipping out-of-Parliament offices. The proposal in its entirety was not adopted. Implementation of the recommendations by the Parliamentary Service has been restricted to activities that could be carried out within the current level of funding appropriated to the Service. The Parliamentary Service Commission agreed that the most appropriate first step in addressing the current issues with out-of-Parliament offices was to focus on the development of comprehensive guidance regarding the minimum requirements for out-of-Parliament offices. Consequently the "Specification Guidelines for out-of-Parliament Offices" was promulgated and forms the basis for the health, safety and security audits of out-of-Parliament offices.	<i>Not implemented except for Specification Guidelines for Out-of-Parliament Offices</i>
<b>Party and Members' Support</b>	The 2004 Review linked a funding increase to the proposal to transfer responsibility for out-of-Parliament offices to the Parliamentary Service. The Service would have assumed responsibility for meeting the rent cost while Members' Support funding would have remained unchanged. A recommendation to provide a freephone service for Electorate MPs in multiple tolling electorates did not stand up on financial grounds.	<i>Not implemented</i>  <i>Not implemented</i>
<b>In-Parliament support for Māori MPs</b>	Interpretation service: The current Parliament has seen a large increase in demand for interpretation of Te Reo Māori. The Office of the Clerk is discussing options with members of the Standing Orders Committee to improve the service in the House. A budget bid to Government may be required to implement service improvements. Translation service: The Office of the Clerk has responded to growth in the use of Te Reo Māori in the Chamber, and in the volume of other material for translating, editing and proofreading, by increasing the level of resources. Members continue to be able to purchase translation services using their support allocation, and Māori navigation is available on Parliament's website.	<i>Satisfactory progress</i>
<b>Communications: Printing and Stationery</b>	There has been no policy acceptance to date for recommendations to directly charge stationery and printing costs to Members' or Leaders' support budgets along with funding transfers from the Members' Communication allocation to Members' support.	<i>Not implemented</i>
<b>Office of the Clerk</b>	The 2004 Review Committee recommended that funding be committed to certain specific projects to permit their implementation. These included electronic select committee developments and video conferencing. The Office continues to make steady progress on these. Also recommended was the publication of select committee Hansards on the parliamentary website. There has been no formal decision to do this. The Office is to develop procedural guidelines for consideration by the Standing Orders Committee.	<i>Some progress noted</i>  <i>Future possibility</i>
<b>Information and Communications Technology</b>	The recommendations of the 2004 Review Committee focused on integration of the different systems within the parliamentary campus and the creation of a new position – a Chief Information Technology Officer – to lead this. Issues are being addressed through the Parliamentary Agencies Information Committee and associated Joint Information Strategy	<i>Being addressed but further action required</i>

	<p>Also recommended:</p> <ul style="list-style-type: none"> <li>- assistance for MPs with managing information volumes. The new Intranet includes features which will make accessing information easier;</li> <li>- progression of the website project to go live soon after the 2005 election;</li> <li>- investigation of video and audio recording of Hansard, to link with the technology for live televising of Parliament. Work is underway by the Library on a digital media management project which will deliver improved access to video and audio recordings of Parliament.</li> </ul>	<p><i>Improvements achieved</i></p> <p><i>Completed August 2006</i></p> <p><i>Related work underway to improve services</i></p>
<b>Parliamentary Information and Research – Parliamentary Library</b>	<p>A review of Library funding was addressed as part of ongoing management and through the annual management planning cycle. Some of the services that are now available that utilise new technologies and enhance the content of information are: Parliament's website and Intranet; digital media monitoring; and online sources available to MPs and their support staff.</p> <p>Funding was secured for ongoing provision by the Library of research support for select committees and research support for select committees continues to grow.</p> <p>Training for MPs in accessing Library services and sourcing information: a user-ability test undertaken as part of the website development project showed that there is a high degree of awareness by the MPs and their support staff to the services provided by the Library.</p>	<i>Satisfactory progress</i>
<b>Educational Material about Parliament</b>	<p>The Office of the Clerk, Electoral Commission and Parliamentary Service collaborated to produce four educational video clips. The Parliamentary Service and Office of the Clerk produced educational material for the new parliamentary website and worked together on open days at Parliament.</p>	<i>Satisfactory progress</i>
<b>Security</b>	<p>Funding was approved to review security systems and equipment.</p> <p>Preparation of a security strategic plan is currently being undertaken.</p> <p>An outcome of the security strategic plan will be that regular formal reviews of security in the parliamentary campus will be undertaken.</p>	<i>Requires more focus and attention</i>
<b>Budget Management</b>	<p>The 2004 Review identified the need to improve existing forms of budget management and ensure this works effectively in the parliamentary environment. It was identified that additional resources were needed and three new positions have been created in the Finance and Entitlements branch.</p>	<i>Requires continued focus and attention</i>
<b>Organisational Structure</b>	<p>The 2004 Review emphasised the need for collaboration among the agencies on the parliamentary complex. Interagency meetings now occur on a regular basis. The agencies have worked together in developing stronger relationships. The 2004 Review also recommended that</p> <ul style="list-style-type: none"> <li>- Collaboration be incorporated as an objective in the performance agreements for the Clerk of the House and the General Manager of the Parliamentary Service. This is under consideration for incorporation in accountability documents.</li> <li>- The scope for merging some functions and services of at least the Office of the Clerk, Parliamentary Service and Ministerial Services, and possibly the Parliamentary Counsel Office and Department of Prime Minister and Cabinet, be investigated with external assistance. Limited discussion has taken place, under action on a case-by-case basis, but not subject to an external review to date.</li> </ul>	<i>Some progress made</i>

<p><b>Human Resource Management Issues: Parliamentary Service</b></p>	<p>Funding to allow the Parliamentary Service to meet standard employer responsibilities for training and development for MPs' staff has been received and a framework is being developed. In the interim staff are able to get training assistance based on the current rules, pending the finalisation of the new framework. The current rules and the availability of funding has been publicised and the take up has been increasing. Funding received was 2% of payroll cost, as recommended by the 2004 Review.</p> <p>Work has been carried out to adapt and implement corporate policies within out-of-Parliament offices. This has included the updating of the Out-of-Parliament Office Guide (the staff handbook for everything from leave to the management of personal information), the development of the training and assistance programme and the stress management programme, along with the scoping of a project for putting the Members' Handbook of Services online.</p> <p>The most significant piece of work has been around the health, safety and security of staff in out-of-Parliament offices which culminated in prior approval of floor plans and pre-lease checklist for new offices, followed by audits being carried out after the office opened. Existing offices are also being audited. Duress alarms have provided for all out-of-Parliament staff.</p> <p>Desk files on staff transference between the Parliamentary Service and Ministerial Services are being developed. Terms and conditions are not consistent, but salaries are better matched between the agencies. The Parliamentary Service also discusses any potential changes to terms and conditions with Ministerial Services.</p>	<p><i>Some progress made</i></p>
---	---	----------------------------------



## **PART FOUR: MANAGING THE PARLIAMENTARY APPROPRIATIONS**

---

### **Background to the Present Environment**

As noted elsewhere this is the Third Review of the Parliamentary Appropriations, the origination of such reviews stemming from the requirements of the Parliamentary Service Act 2000. As also reported elsewhere the first two reviews were carried out in environments somewhat different to those of today.

The advent of the Controller and Auditor-General's report on "Advertising Expenditure Incurred by the Parliamentary Service in the Three Months before the 2005 General Election" has caused considerable angst throughout Parliament. Discussion and debate has ranged across various audiences. Were prior warnings on the subject of party advertising clear, concise and understood by all? Did such warnings have to be clear, concise, etc? Were previous approval processes appropriate – indeed did they even exist? Who had responsibility – the Parliamentary Service, the political parties? What was the process of recording approvals (or non-approvals) as the case may be? There are many, many questions that have been initiated by the above report.

Although there had been elections in 1999 and also 2002 no specific concern was expressed by any participant within the 2004 review such as to cause the Review Committee to record this subject as being in need of specific comment. The Committee was advised at the time that the Controller and Auditor-General was looking into this matter.

Given the current position the Parliamentary Service and indeed Parliament has found itself in, one must have a direct concern as to how this position has been arrived at. Was it by accident, by chance, the result of incompetence, mismanagement, neglect or indeed just through circumstance?

I believe it appropriate that I give some consideration to these fundamental questions although I do not believe it is necessarily my task to comment on the projects now in train for correcting the current shortcomings, either in a management or legal sense. In the introduction to my report (Part One) I have alluded to other work now underway to effect improvement. As well, there is considerable internal work being carried out to effect appropriate compliance and practice across the various areas of responsibility.

Although not involved in any way with the 2002 Appropriations Review, I was Chair of the 2004 Review Committee. As we progressed with the 2004 Review, it should be noted that we did not come across a report dated January 1998, titled "Funding Support Services for Members of Parliament – A Review prepared by the Treasury at the request of the Parliamentary Service Commission".

This 1998 report foreshadowed many of the potential problems that have subsequently emerged.

It is my understanding that the genesis of this report was discussed within the context of 1998/99 budget issues, with the Treasurer, the Minister of Finance and the Speaker, all agreeing to involve The Treasury in developing options relating to the funding of support services to MPs at that time.

Accordingly, the Speaker wrote to the Acting Secretary to the Treasury on 3 November 1997 asking that Treasury, in association with the Parliamentary Service, develop options for bulk funding support arrangements for MPs from Vote Parliamentary Service.

The Speaker specifically asked The Treasury to:

- examine current support funding arrangements for MPs;
- develop funding options that enhance accountability, increase flexibility and reduce fiscal risk;
- evaluate these options; and
- assess their costs and risks.

The initial draft report noted numerous “Issues of Concern” relating to funding Members’ activities, discussed Crown payments and departmental appropriations and concluded that “current arrangements for Crown payment appropriations are unsatisfactory from the point of view of accountability and transparency” and noted that “although less fiscal risk attaches to departmental appropriations, this method of containing risk involves filtering the provision of services through departmental interactions and controls.”

The draft report went on to say in respect of departmental appropriations “a more flexible regime may be achieved if party groups and members become responsible for a broader range of expenditure, including some current departmental appropriations. However, this is likely to increase fiscal risks unless suitable reporting, disclosure and other accountability requirements can be devised (such as sanctions for overspending and broad controls on the nature of spending).”

The draft report moved further to consider three possible funding approaches, including the existing arrangement and two variations that I would term partial bulk funding options.

I have been unable to completely ascertain what attention this report received. I understand it was converted from a draft to a final report (January 1998) and went to the Parliamentary Service Commission for consideration in February 1998. The only further comment I am able to make is that it does not appear to have been implemented in any shape or form.

What is somewhat disappointing therefore is that many of the problems that are currently being addressed today were highlighted in this Report – some 9 years ago.

In the normal course of events problems once highlighted are more often than not addressed in a constructive manner. However it could well have been that this particular report was indeed duly considered in the lead-up to the introduction of the Parliamentary Service Act 2000, which is still in force today.

### **The Purposes of the Parliamentary Service Act**

The Purposes of the Parliamentary Service Act 2000 are noted in Appendix 3.

In essence the purposes of the Act are to establish mechanisms for providing services and funding entitlements for parliamentary purposes; to have the General

Manager of the Parliamentary Service responsible to the Speaker; and the reconstitution of the Parliamentary Service Commission as a policy body.

At this point I will refer to the Parliamentary Service Commission as the PSC and the Parliamentary Service as the PS. I would also note that there is still some confusion relative to these two organisations. On many occasions in discussion I thought we were talking about the PSC rather than the PS – and vice versa. Those present were also often talking at cross-purposes. Virtually everyone I interfaced with agreed it would be beneficial if the name of one of these organisations was to change. I note this as a specific recommendation at the end of this section.

The Parliamentary Service Act 2000 is therefore the guiding legislation in respect of the management and operation of both the PSC and the PS today. The Speaker's role as Responsible Minister for the Appropriation is set out in the Public Finance Act 1989. The Parliamentary Service Act contains provisions for the issuing of Speaker's Directions which are required to be given to the Parliamentary Service in each financial year specifying the nature of services to be provided and the objectives to be achieved by the Service. Separately, Directions are required to be issued by the Speaker relating to the administration of the payment of funding entitlements for parliamentary purposes (non-departmental expenses from the Parliamentary Appropriations).

In this process the Speaker must take into account relevant advice and recommendations from the PSC. (The PSC is not a decision-making entity.)

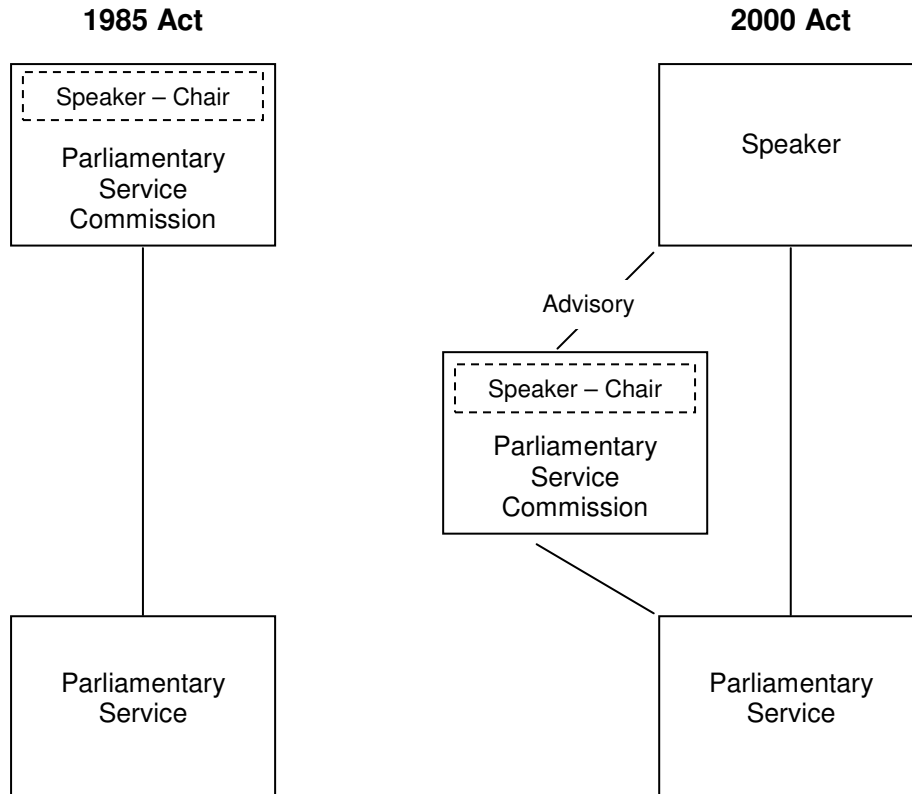
The Act is descriptive of the roles of the various parties associated with the Appropriations expenditure. Unfortunately I must advise that many of the practices and processes employed since 2000 have not always facilitated compliance with the Parliamentary Service Act. While all organisations involved in the administrative processes and procedures can be found wanting in this regard, the Speaker acted promptly to improve compliance once she was made aware of the problems following advice from the Parliamentary Service.

Discussions with the Clerk Assistant (Legal Service) confirmed that there were indeed problems of non-facilitation of compliance.

### **Effect of Legislative Change**

The cumulative effect of the legislative change that has occurred since the original Parliamentary Service Act was passed in 1985 has been to change radically the roles, functions, relationships and accountabilities that were established by that Act, in particular the roles of the Speaker and the Parliamentary Service Commission. The Speaker's role under the 1985 Act was essentially limited to chairing the Parliamentary Service Commission, which itself had an extensive executive role. Now the Parliamentary Service Commission is solely an advisory body, while the Speaker has an extensive executive role as, in effect, the Minister responsible for the Parliamentary Service, as well as having a law-making role under the Civil List Act.

This change in roles has meant a change in lines of accountability as illustrated in the following diagram.



The nature of the relationship of the Parliamentary Service to the Parliamentary Service Commission has changed from one where the Service was directly accountable to the Commission to one where the only direct relationships between the Service and the Commission provided for in the Act are that:

- part of the General Manager's responsibility to the Speaker is for the tendering of advice to the Commission (section 11(b));
- the Commission may require the General Manager (or the Speaker) to report on, or inquire into, matters relating to the administration of the Act or the exercise or performance of any function, duty, or power under the Act (section 14(2)).

While the Parliamentary Service Act 2000 established new governance and accountability arrangements, the underlying principle of the 1985 Act was maintained, mainly that the provision and determination of services to support members of Parliament should be a parliamentary responsibility rather than one for the Executive Government.

This left in place a tension between the Parliamentary Service being deemed to be a department and part of the Crown for the purposes of the Public Finance Act 1989 while at the same time, under the Parliamentary Service Acts of 1985 and 2000, the Parliamentary Service is specifically not an instrument of Executive Government. Therefore the interaction of the Public Finance Act with the Parliamentary Service Act does present some difficulties in respect of administrative responsibility.

The extent of the changes in the lines of accountability and the other changes in the Act suggest that, except where the Commission has specifically required a report from the Parliamentary Service, the Service should be providing advice to the

Speaker, with the Speaker seeking advice and recommendations from the Commission, before acting on the Service's advice.

### **The management process**

There are numerous reasons as to why the problems I identify above under the heading "The purposes of the Parliamentary Service Act" have occurred. Without doubt the reality of Parliament has changed quite radically with the advent of MMP. The PSC is now representative of 8 political parties and there is not always agreement on the nuances of the management process. The role of the Speaker has also changed – there are many more "management deliberations" to consider today than was the case prior to MMP. A basic question therefore arises – is it still appropriate for the role of Speaker to encompass also the outputs of a Chief Executive in respect of management issues as need be addressed by the PS? To be totally effective today, the relationship between the Speaker and the General Manager of the PS has to be more akin to that between a Chairman and his/her Chief Executive. In turn the PSC has a role now more akin to that of a board of directors – it must be more in tune with the enhancement of the total entity – not just a part thereof.

There is no doubt that the business of Parliament has changed markedly over the past decade – the decade of MMP – but the provision of administration and support systems and services has not kept abreast with the changes encountered. This is illustrated by the fact that there is still discussion proffered on the merits of the previous FPP system. I offer no comment on this point other than to suggest that MMP, being our current system, would be the logical one to better understand and embrace.

This Appropriations Review is not an in-depth study of the management beliefs, culture or practices of any specific organisation as may be engaged on the parliamentary campus. The reviewers are however asked to consider "the nature, quantity and quality of administration and support services required for the effective operations of ...".

To this end I have reached the conclusion that, if the Parliamentary Appropriations are to be used to maximum benefit, it will be necessary to resolve deficiencies in the present system of allocation and management that have arisen, for instance, from:

- failure to fully implement the intent and provisions of the Parliamentary Service Act 2000 in respect of the roles of the Speaker, Parliamentary Service Commission and the Parliamentary Service;
- systems and services that have not kept pace with the maturing MMP environment;
- whether the Parliamentary Service fully understands key statements relative to its vision, mission and values as set out in its current Statement of Intent; and
- a lack of direct accountability, performance measurement and governance being applied.

One must therefore seriously consider the need for more meaningful measures of accountability to be applied by the Service, encompassing a range of basic service outputs, with such measures better reflecting the environment within which

Parliament and members of Parliament operate today and improving the nature, quantity and quality of the services required.

To effect certain improvements and without necessarily impinging on other work projects that are currently underway or being readdressed, I make the following recommendations.

## **Recommendations**

That:

- a) The current status of compliance by the Parliamentary Service with the requirements of the Parliamentary Service Act 2000 be reviewed, ensuring the correct procedures for the issue of Directions (by the Speaker), and that all participants in the process of Direction are aware of their roles and responsibilities.

This would be a first step prior to looking at what changes need to be made to the Act itself.

- b) That further education, information and training on the role of the Parliamentary Service Commission, be undertaken. (The Functions of the Parliamentary Service Commission are noted in Appendix 4 of this report.)
- c) Whatever resources are required to correctly supply the above processes are indeed provided. These may include extra staff, training, equipment and or other resources.

Not only have the various roles of the participants changed over the decade, the output requirements have also changed and again I note that the present Act appears to be a constraint in this respect.

- d) The current level of support afforded the Speaker be immediately reviewed. A number of people are assisting on various issues but somewhat on an ad hoc basis. A structure needs to be confirmed which allows for quality advice and considered input relative to the ongoing output requirements. The role of the Speaker has changed; the structure needed to support this change has not.
- e) The Statement of Intent for the Parliamentary Service incorporates groupings of deliverables that can actually be measured.

Input from the out-of-Parliament offices relative to contact or communication could also be included. There are numerous service measurements that could well be introduced.

The simple objective is to provide a basis for performance evaluation. At present many express a high level of frustration with the overall performance of the PS. Not all of the dissatisfaction however is based on "factual non-delivery". A basis of performance measurement would assist in determining what is perception and what is indeed factual.

- f) A process be adopted for monitoring the relationship between the Speaker and the General Manager of the Parliamentary Service. This is obviously a critical relationship in respect of outputs and one that must be maintained at a very high level of efficiency and effectiveness thus providing a positive environment within which financial and other decisions can be made.

(The "alternative scenario" that follows advocates the establishment of an Advisory Board to assist both the Speaker and the Parliamentary Service

Commission. This Board would play an active role in respect of monitoring this relationship.)

- g) Given the critical relationship between the Speaker and the Parliamentary Service Commission, and for the overall process to work for mutual benefit, the Office of the Speaker, the Parliamentary Service Commission and Parliamentary Service work within a “circle of cooperation”, providing mutual support to achieve constructive outcomes.

### **An alternative scenario**

The majority of the problems that currently face the Parliamentary Service, the Speaker and the Parliamentary Service Commission, are in my opinion related to the fact that there is a very strong belief that the business of Parliament is “different”, and that everything must be done in a prescribed manner – even if it is via an inefficient and ineffective process. While no doubt there are facets of the Parliament which must follow prescriptive processes, there are also many facets that would directly benefit from embracing certain external practices.

To this end I would suggest consideration be given to the establishment of an Advisory Board (up to 4 members) which would be set up to assist with governance, management, accountability and monitoring of the activities that interface between the Office of the Speaker, the Parliamentary Service Commission and the Parliamentary Service.

This Advisory Board would be made up of independent members, with at least three being external persons and possibly the other person representing associated entities, e.g. Treasury, the State Services Commission or an other non-directly involved entity.

The main thrust in respect of what I have termed an Advisory Board is to create a vehicle that can be used to directly assist with sound governance, commercial, financial, corporate and management advice. Aspects of normal commercial accountability would also be monitored by this board.

It is this board (or at least the chairperson thereof) that would provide the monitoring role I have recommended be enacted in f) and g) above.

This board would be established to provide an advisory service to the Speaker, to the Parliamentary Service Commission and to the Parliamentary Service. It would also provide a measurement function for the Parliamentary Service by considering Parliamentary Service quarterly management accounts and reports, for instance. I have not gone into detail as to all the functions that could be enacted by this board – there are a number.

### **An Advisory Board**

The concept of an Advisory Board is not a particularly original idea. The basic premise behind the suggestion is simply to assist the process of efficient and effective management of the resources deployed.

Although I have shown two examples of how such a board might liaise with the key players as outlined on page 37, other options could also be explored. Possibly the inclusion of 1 or 2 non-MPs on the Parliamentary Service Commission might also prove helpful and be easier to implement.

If the suggestion of an Advisory Board was deemed too cumbersome it could be that an equally efficient way forward would be via the provision of external commercial/management expertise being made available direct to the Office of the Speaker – or, as noted, above to the Parliamentary Service Commission.

My belief however is that the most effective and efficient starting point would be that of an external Advisory Board. Such a board would not need to be enshrined on a permanent basis and the success or otherwise could be regularly measured as an adjunct to the Appropriations Review process.

Whilst appreciating that the promotion of such a board may well be somewhat controversial I would point out that my recommendations herein are partially modelled on the governance structure of the Reserve Bank of New Zealand.

The following extracts are from the Bank's 2005 – 2006 Annual Report (page 11). They provide an insight into the role of the Board of the Bank which in essence is a monitoring role.

- The Board's primary function is to monitor the performance of the Governor and the Bank, on behalf of the Minister of Finance. It has the responsibility to confirm that Monetary Policy Statements are consistent with the Policy Targets Agreement. The Board does this by holding regular meetings at which it receives extensive briefings on the Bank's activities, decisions, and policies. At these meetings the Board also provides advice to the Governor. The Board does not direct Bank policy, monetary or otherwise.
- When required, the Board makes recommendations to the Minister of Finance on the appointment or reappointment of the Governor.
- The Board provides the Minister of Finance with an annual assessment of the Bank's performance, which is reproduced on pages 16-20 (Reserve Bank of New Zealand's 05/06 Annual Report).
- The Board of Directors' Audit Committee monitors the internal audit function. The Committee also receives reports from the Bank's external auditor and reviews the Bank's annual financial statements.

A similar monitoring role could well be fulfilled by the Advisory Board that I am promoting herein and I have no doubt that the advent of such a board would assist in many ways.

A further example of how external expertise can be used to assist in the "management" of an entity is provided by the Office of the Controller and Auditor-General. Within this organisation is an Audit and Risk Management Committee which is made up of five members, three being external persons and two being from within the Office of the Controller and Auditor-General.

I quote from the 2006 Annual Report (page 47) of the Office, as follows: "The Audit and Risk Management Committee is an independent committee, established by and reporting directly to the Auditor-General".

"The purpose of the Committee is to oversee:

- risk management and internal control;



- audit functions (internal and external) for the Office;
- financial and other external reporting;
- the governance framework and processes;
- compliance with legislation, policies and procedures.

The Committee has no management functions”.

I understand that the inputs and outputs of this Committee have proved to be most helpful.

In some of the meetings I attended, as background to this Review, the suggestion that the roles of Speaker and Responsible Minister be separated came up on a number of occasions.

I have considered this suggestion, but do not believe it would necessarily be helpful in an ongoing sense relative to the problems currently being experienced.

Amongst other things the Parliamentary Service has responsibility for some 650 staff, and if one consolidates the total expenditure it manages and or administers, a total sum of around \$105m, a sizable organisation is identified – and one which has, at best, a peculiar governance and reporting structure.

I have no doubt whatsoever that the establishment of such an Advisory Board reporting to the Speaker would greatly assist in providing numerous governance and accountability advices that are somewhat lacking today. As said I do not believe separating the roles of Speaker and Responsible Minister would necessarily fix the current problems.

The Advisory Board of course would be operating within whatever at the time was the legislative framework.

There is no doubt that the establishment of an Advisory Board would provide for much clearer management directions on many issues.

My proposal needs to be considered and evaluated carefully in the context of the parliamentary environment and governance along with accountability relationships in that environment.

I am aware that the Parliamentary Corporation in its present form was established by the Parliamentary Service Act 2000 for the specific purpose of providing a legal vehicle to facilitate transactions relating to the functions of the Parliamentary Service. It is thus a statutory entity but with limited functions.

Adapting the Parliamentary Corporation to assume the functions and activities of the Parliamentary Service would need a revision of its membership and functions, and the appropriate governance and management accountabilities would have to be worked through, including its relationship to the Public Finance Act and State Sector Act. I do note that The Clerk of the House of Representatives Act 1989 is one model where a parliamentary agency has its own legal status and also fits within the public finance and state sector framework and accountabilities.

For such an Advisory Board to be effective, it is critically important that it “add value” and not become just another layer of bureaucracy.

In addition, the governance and management changes I am proposing carry with them greater responsibilities for the leadership of the Parliamentary Service. To meet these demands (amongst other things), I believe the position of General Manager should be upgraded to an enhanced Chief Executive position.

### **Recommendations**

- a) Although the terms 'Parliamentary Service Commission' and 'Parliamentary Service' are enshrined in legislation, one of these should be changed.
- b) It would appear more logical to change the term 'Parliamentary Service' which does not necessarily offer descriptive advice of its total functions.
- c) The functions of the Parliamentary Service are increasingly becoming more associated with that of a business and will continue to do so. Accordingly I would suggest the name of the Parliamentary Service be changed to that of the Parliamentary Corporation. Such a body corporate already exists and it should be able to be restructured without too much trouble to incorporate the activities of the Parliamentary Service.
- d) The position of General Manager of the Parliamentary Service be upgraded to Chief Executive of the Parliamentary Service (or Corporation).

The Parliamentary Corporation is a body corporate and has the following functions.

- to facilitate transactions relevant to the duties of the Parliamentary Service;
- to acquire, hold and dispose of interests in land and other assets for parliamentary purposes.

These functions to me provide an excellent starting point for restructuring the Parliamentary Service and addressing the many and varied issues that have been identified.

As well the membership of the Parliamentary Corporation, in my opinion lends itself to a more focussed approach to the overall management and provision of direction to what would encompass, as an entity, the present Parliamentary Service.

The Parliamentary Corporation consists of the following:

- the Speaker;
- the General Manager; and
- two Members of the Parliamentary Commission (other than the Speaker) appointed by the Commission.

This entity could well be that which the advisory board I recommend would assist in the first instance.

This overall prospect should certainly be explored as recommended herein. Details of how the Corporation would operate in practice obviously needs further consideration. For the functions and activities of the Parliamentary Corporation and the Parliamentary Service to be combined into one organisation, there would logically need to be a revision of the membership and functions of the Corporation.

## **Recommendations**

- e) That the use of the Parliamentary Corporation be seriously considered as taking over the activities of the Parliamentary Service thus providing a totally new vehicle, to lead Party and Members' Support functions and encompassing the principal duties of the Parliamentary Service. This would of course require a legislative change.
- f) That the Parliamentary Corporation be supported by the establishment of an Advisory Board of up to 4 members to assist with governance, management, accountability and monitoring of the activities that interface between the Office of the Speaker, the Parliamentary Service Commission and the Parliamentary Service.

## **Fiscal responsibility**

In carrying out its work, the Review Committee must consider a number of matters (as set out in Appendix 1) with Section 21(1)(f) of the Parliamentary Service Act 2000 thereof, being "the need for fiscal responsibility."

I have therefore examined the expenditure trends within the two parliamentary votes covered by my terms of reference, i.e. Vote: Parliamentary Service and Vote: Office of the Clerk. I determined that the function I was tasked with fulfilling was to advise on whether I thought expenditure trends were reasonable and whether there appeared to be any areas wherein a correct and proper approach had not been applied to the expenditure incurred. To this end I spent considerable time with the Chief Finance Officer of the Parliamentary Service.

### ***The Parliamentary Service***

Within the 2004 Review actual totals of expenditure incurred were recorded over a five-year period and shown in graph form. Significant commentary then followed explaining the various changes that had occurred over the five-year period, driven by either legislative approved changes or reallocations of changes or one-off events (e.g. 150th anniversary of Parliament) and the like.

There have been similar situations occur since the occasion of the last review and I therefore determined a methodology for providing a picture of expenditure, without the need for extended explanations such as via "notes to the accounts."

After due consideration I determined that an appropriate way of commenting on the question of fiscal responsibility was to compare the actual budgets of the Service for the past five years and the operating budget for the current year. All such budgets are subject to an approval process that moves from Parliamentary Service management sign-off; the Speaker; the Treasury; the Minister of Finance; and subsequent incorporation within the Budget itself.

A total of six years are therefore provided for comparative purposes on this basis, being the five period years and the current budget year. These are shown as follows.

At first glance it appears as if expenditure has increased quite markedly – especially over the last three years. However I have investigated where the main incidence of cost increase has occurred and find the major movements are associated with staff, information technology, the library and website development, security costs, rental costs relating to the new select committee rooms and general price increases across a number of supply items. (For comment on Staff Numbers, see page 53.)

It should also be noted that the current year budget is close to that of last year in total, confirming a situation wherein no specific change in expense or service delivery is anticipated. However the current year budget does reflect the establishment of a multi-class output appropriation structure. To implement this structure there was a significant transfer of funding between “Services to Members” and “Personnel and Accounting Services.”

I should also note that I can confirm actual expenditure over the period has been consistent with the expectations of the approved budgets.

I did not identify any areas of concern relative to any abuse or the like associated with “the need for fiscal responsibility.”

### **Details of Appropriations – Parliamentary Service**

<b>Appropriations Departmental Expenditure</b>	2001/02 (\$000)	2002/03 (\$000)	2003/04 (\$000)	2004/05 (\$000)	2005/06 (\$000)	2006/07 (\$000)
Services to Members	15,371	15,784	16,968	17,866	17,672	13,667
Parliamentary Information Service	4,811	5,647	5,880	7,693	8,076	7,483
Catering Services	881	882	882	852	783	)
Building and Operations Management	16,497	16,646	18,723	17,931	19,609	) 21,389
Policy Advice	284	364	351	433	343	550
Personnel and Accounting Service	708	727	769	915	968	5,140
<b>Total GST Excl</b>	<b>\$38,552</b>	<b>\$40,050</b>	<b>\$43,573</b>	<b>\$45,690</b>	<b>\$47,451</b>	<b>\$48,229</b>

<b>Other Expenses to be incurred by the Crown (Crown Expenditure)</b>	2001/02 (\$000)	2002/03 (\$000)	2003/04 (\$000)	2004/05 (\$000)	2005/06 (\$000)	2006/07 (\$000)
Members’ Communications	3,261	3,203	3,553	3,508	3,516	3,516
Members’ Travel	7,766	7,766	8,812	9,405	9,324	9,854
Party/Member Support	11,995	11,902	12,824	13,264	14,162	14,160
<b>Total GST Excl</b>	<b>\$23,022</b>	<b>\$22,871</b>	<b>\$25,189</b>	<b>\$26,177</b>	<b>\$27,002</b>	<b>\$27,530</b>

### ***The Office of the Clerk***

Again a schedule of the previous five years’ budgets is compared with the current year expenditure budget, as noted on the following page.

The first two columns show four output classes and in the latter years, two classes. This adjustment is reflective only of an internal administrative change and allocation consolidation.

In comparing the totals over the six annual schedules provided, and having discussed the make-up of these schedules, it is pleasing to note the overall trend recorded over the past five years.

As with the Parliamentary Service, the Office of the Clerk's budget for 2006/07 is similar to the previous year, reflecting no major cost increases, or extension of activities being envisaged.

<b>Appropriations</b>	2001/02 (\$000)	2002/03 (\$000)	2003/04 (\$000)	2004/05 (\$000)	2005/06 (\$000)	2006/07 (\$000)
Support Services House of Representatives	5,819	6,849				
Parliamentary printing	6,001	5,254				
Interparliamentary Relations	669	915	1,215	1,129	1,114	1,181
Broadcasting Parliament	896	915				
Secretariat Services			13,282	13,098	12,799	13,098
<b>Total</b>	<b>\$13,385</b>	<b>\$13,933</b>	<b>\$14,497</b>	<b>\$14,227</b>	<b>\$13,913</b>	<b>\$14,279</b>

### **Travel Entitlements**

One area of expenditure considered in respect of my deliberations on the "need for fiscal responsibility" was "Retired Members and Spouses International and Domestic Air Travel."

Expenditure in this category for 2005/06 was just on \$1.1m. This amount has increased by approximately 15% and 25% respectively over the past two years.

Entitlements here relate to members who were in Parliament prior to the 1999 election and will have in total, completed three parliamentary terms, including one prior to the 1999 election, before leaving Parliament.

Accordingly these entitlements will eventually cease but this will not occur for many years yet.

A separate cost category records expenditure by current "Members and Spouses International Air Travel and Spouses Domestic Air Travel." In 2005/06 a cost of some \$1.9m was incurred for these categories albeit some portion of the spouses' domestic travel would have undoubtedly been related to specific parliamentary activity. There was therefore just on \$3.0m spent in these two categories last year. This expenditure includes the F.B.T. attributed to each category of travel.

I understand the history of these allowances goes back to the 1990s and was associated with remuneration adjustments for MPs, at that time. Today however one could query the ongoing relevance of these allowances. Questions for consideration could include:

- 1) Given the sums involved, could this money be better used elsewhere in respect of providing alternative support and service to current members?
- 2) Is the base logic today for this benefit still relevant?

- 3) If all eligible participants were to use the opportunities available to them, (on an annual and ongoing basis), what would this cost be compared to current costs?

I note that there is further expenditure also incurred relative to former Prime Ministers, the administration thereof being handled by Ministerial Services.

There remains however a need in my opinion to reconsider this overall expenditure, relative to today's expectations and changing practices. Accordingly I make the following recommendation.

**Recommendation**

- a) That the Speaker review all travel allowances available to former Members of Parliament, to confirm the ongoing appropriateness of such allowances, and determine whether the possible total sums involved might in whole or part, be better allocated elsewhere.

## **PART FIVE: SERVICE CAPABILITY**

---

This section covers aspects of service delivery relative to the Parliamentary Service, Office of the Clerk and Parliamentary Library. In each case I comment on the capacity to deliver required services and, in doing so, highlight areas where improvement and/or additional resources are needed. This focus is in accordance with the “Work of Review Committee” as set out in the Parliamentary Service Act 2000 at section 21(1), to review:

- “(a) The nature, quantity, and quality of administrative services and support services required for the effective operation of the House of Representatives.*
- (b) The nature, quantity, and quality of administrative services and support services that members of Parliament require for the effective performance of their functions.*
- (d) The scope for efficiency gains in the delivery of administrative services and support services to the House of Representatives and to members of Parliament.”*

Also covered is an aspect of wider service delivery in the form of an exchange programme that operates between New Zealand and Australia for young potential political leaders. This programme – specifically not for MPs (although delegations are led by a sitting MP) – is designed to contribute to political leadership of the future.

### **General comment**

The 2004 Appropriations Review Committee strongly promoted the importance of collaboration among the agencies that operate within the parliamentary campus, and made recommendations on strengthening collaborative relationships.

I have inquired into what has been achieved on this front over recent years. I am pleased to record that commendable advances have been made. Examples, elaborated upon elsewhere in my report, include collaboration over the development of a strategy for information and communications technology on the campus, a successful collaboration between the Office of the Clerk and the Parliamentary Service and Library to launch the new parliamentary website and coordination of operational services between the Office of the Clerk and Parliamentary Service.

In the process, as reported to me by all five agencies concerned, management has become more focused on the benefits of collaborating and more ‘practised’ in the pursuit of effective collaboration.

I see this as a significant step towards greatly improved efficiency and effectiveness in the delivery of services and use of parliamentary resources. I believe this is the way of the future, and offer further suggestions in my report as to opportunities for ongoing collaboration.

### **The Parliamentary Service**

#### ***The 2006 Reorganisation of Groups and Functions***

An Information Pack produced in April 2006, titled “Parliamentary Service Reorganisation of Groups and Functions,” sets out the key objectives associated with

proposed changes to the organisation of groups and functions in the Parliamentary Service. Enumerated under the heading 'Purpose', these key objectives are to:

- Ensure that the Parliamentary Service has the capacity to provide timely, quality and responsive policy and support for the Speaker, the Parliamentary Service Commission and the Parliamentary Corporation;
- Improve the Parliamentary Service's strategic and development capabilities to meet the increasing demand for support of the House of Representatives and members of Parliament in an evolving MMP environment;
- Building depth of management capacity and capability and ensure management succession and future capability;
- Ensure that the Parliamentary Service has the capacity to carry out the many interagency and organisational projects being undertaken and planned; and
- Balance the management workload more evenly to improve the capacity to manage areas of growth.

This Information Pack also provided a draft Organisational Chart of Groups and Functions and was presented for management feedback. The new structure has now been finalised and is set out in the chart reproduced below page 48.

I present the chart primarily as a vehicle to provide greater awareness of the various tasks carried out by the Parliamentary Service. I present it also as a point of reference for commentary relative to improved efficiency and the delivery of services going forward. In this regard I do not see any need to comment on progress achieved with this reorganisation to date – there are other reviews underway on this and associated subjects. I do, however, pick up on a report completed in October 2006 on the Organisational Development project, this report having been undertaken by an external advisor working within the Parliamentary Service.

This organisational change indicated by the chart is complete, other than for filling currently unfunded positions.

Before commenting on this October 2006 report it is perhaps worth first reflecting on the general attitude towards the Parliamentary Service as expressed by a majority of organisations and persons interviewed.

To this end I have endeavoured to summarise the concerns within a few paragraphs as noted below. Key concerns were:

- 1) The Service is seen as inflexible and unresponsive, not adapting to the "new" MMP marketplace, not customer-focused.
- 2) A high level of dissatisfaction exhibited from both customers of the Parliamentary Service and peer agencies alike.
- 3) Failure to recognise the Speaker as a primary customer.
- 4) Recent organisation restructuring – is it the right structure; is it focusing on the right issues? There are concerns (rightly or wrongly) about perceived "empire building".



- 5) Is the Parliamentary Service in fact sufficiently resourced to do the job?
- 6) A high level of frustration with the overall performance of the Parliamentary Service Commission.
- 7) Numerous concerns relative to governance and accountability.
- 8) Observations on numerous employment and staffing issues and that leadership appears not to be particularly visible or effective.

The above eight points reflect numerous concerns relative to governance and accountability and suggest an organisation within which all “may not be well.”

In noting the above I do however accept that the Parliamentary Service is not entirely free to change things as it may well want to.

As further background to this situation I have extracted the following five paragraphs from the aforementioned October 2006 External Advisor’s report.

- “In summary the environment the Parliamentary Service now operates in has a high degree of unpredictability and therefore the Service needs to have the organisational structure, technologies, systems, processes and culture that allow it to plan for the future and react appropriately to unforeseen events.”
- “The Organisational Development project ... was a first step in ensuring the Parliamentary Service has the capacity and capability to meet the changing needs of the Service in an evolving MMP environment. The ongoing organisational development role will continue to increase the capacity and capability of the Service.”
- “There is a natural and ongoing tension between the needs of the Parliamentary Service for increased funding to meet the increasing demands for services and support and the perception that the Service is a growing bureaucracy taking resources that should be going to Members of Parliament. This tension makes it difficult for the Parliamentary Service to move from a reactive mode of operating to a proactive mode that anticipates and plans to meet the future needs of the House and members.”
- “In summary, the ... needs assessment identified an organisation with stretched resources with limited capacity to respond to the growth in demand for services and support for the House and members of Parliament under an evolving MMP environment. The Parliamentary Service was identified as being a reactive organisation with the requirements for the organisation to be proactive and to plan ahead to meet the demands of the evolving MMP environment and rapidly changing technologies. In addition, the Parliamentary Service faced a significant risk of losing key long serving second and third tier managers with the associated loss of important institutional knowledge. This risk was compounded by poor record systems and lack of electronic documentation in some key areas. Succession planning and rebalancing the workload of the Senior Management Team were therefore issues requiring immediate attention as part of the Organisational Development project.”
- “The critical issue of having the organisational capacity and capability to meet the needs of the Speaker for timely and high quality policy

advice was identified in the initial needs assessment. The critical overarching organisational gaps of audit and risk management and co-ordination of strategic projects were also identified in the initial needs assessment.”

I do understand that a number of these concerns have been or are in the process of being addressed.

There is no doubt that the Parliamentary Service is an unusual organisation, providing services to a wide range of customers, some of whom are based throughout New Zealand, and all of whom have an ultimate focus on the parliamentary campus in Wellington.

The customers of the Service can exhibit behaviour patterns that range from accepting to demanding. The administration of the Service outputs, while correct and proper in a general sense, lacks normal governance checks and balances of the kind that is typically provided by, say, a board of directors and associated inputs such as independent risk and assurance reporting.

I am aware of the sensitivities around disclosure of detail that members and parliamentary parties may have concerning disclosure but nevertheless believe that accountability can still be strengthened.

Part Two (page 23) reflects on the changed environment as created by the past decade of MMP representation. Whether the Parliamentary Service has kept pace with this change – or even been allowed (via resource etc allocations) to address this change is difficult to determine.

In many respects it does not matter. The challenge now is taking the system as a whole, into the future.

## **The Way Forward**

In Part Four (page 36) under the heading “An alternative scenario” I comment on the prospect of establishing a vehicle to act as the conduit for significant change in the provision of management services within an appropriately governed structure. That vehicle, I believe, should be the Parliamentary Corporation, with the Parliamentary Service ceasing to exist in its present form.

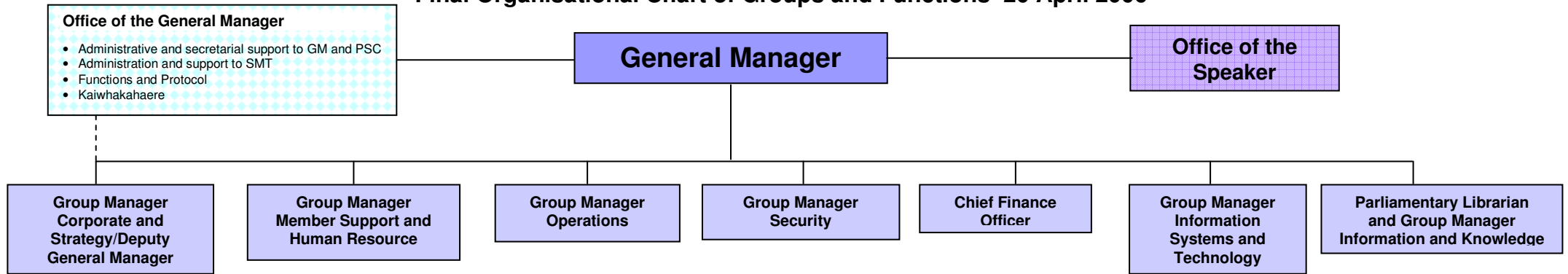
Ignoring the frustrations of today, the basic starting point to me, when considering the future, is what is the “core business” of the Parliamentary Service? In this regard the Act states “*The principal duties of the Parliamentary Service are:*

- a) *to provide administrative and support services to the House of Representatives and to members of Parliament; and*
- b) *to administer, in accordance with the directions of the Speaker, the payment of funding entitlements for parliamentary purposes.”*

The range of services provided by the Parliamentary Service includes providing members of Parliament with secretarial and personal assistance; members’ and ex-members’ travel; policy advice; personnel and accounting services to members and other Parliamentary agencies; research and information services; catering services; looking after the buildings and the way they run; and all of the administration associated with those things and others (see also page 48).

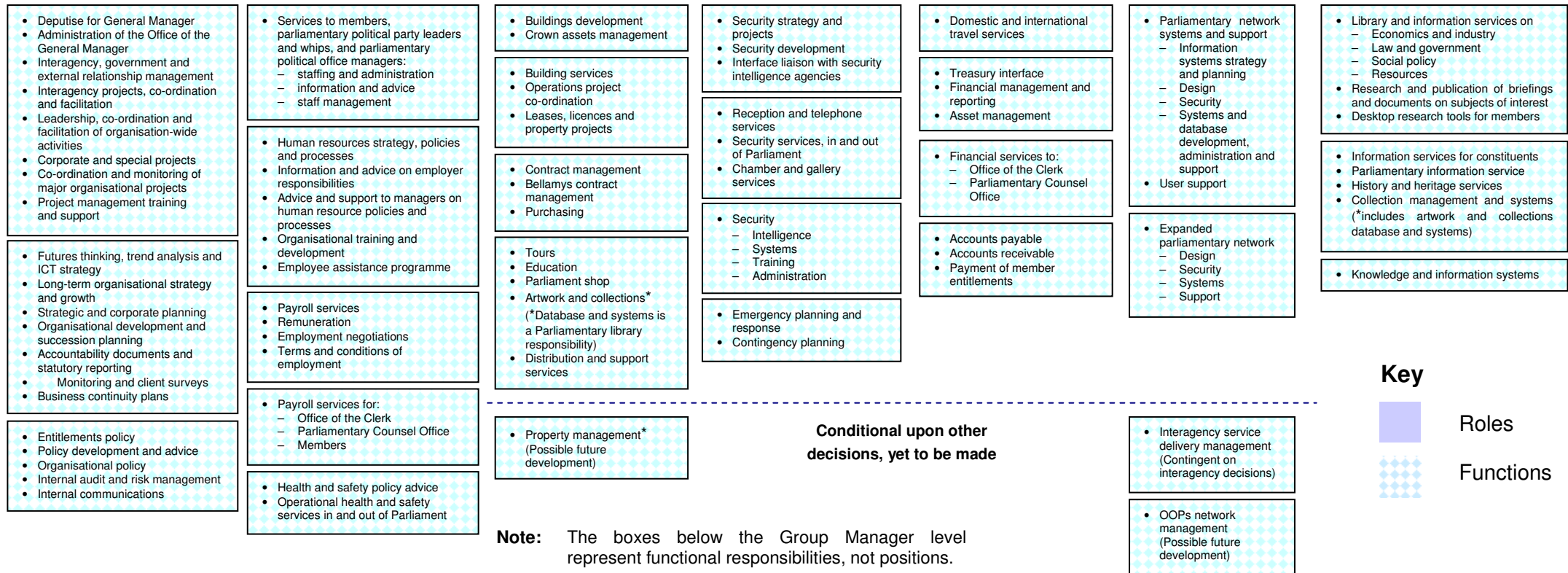
# Parliamentary Service

## Final Organisational Chart of Groups and Functions 20 April 2006

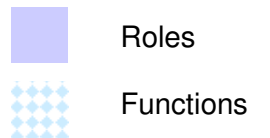


### Roles

### Functions



### Key



**Note:** The boxes below the Group Manager level represent functional responsibilities, not positions.

However, when addressing the base aspects of the “core business” it is most important to consider who indeed are the “customers”. I use the term “customers” knowingly and somewhat repetitiously throughout as I believe it is timely that renewed focus be given this word.

The basic problems being experienced today as expressed to me repeatedly in the course of the Review, relate to the fact that “customers” of the Parliamentary Service have less confidence today in the Service than in the past. However it is interesting to note that such sentiment does not seem to manifest itself within the surveys that the Service routinely carries out.

This latter point to me however reflects the “disconnect” that many MPs and others suggest exists.

What I sincerely believe is that today a new approach is needed. Accordingly I make the following suggestions and observations, leading off with recommendations.

### **Recommendations**

That:

- a) The customer base of the Parliamentary Service be reconfirmed.

To me there are a number of customer groups and I suggest these include: the Speaker, the Members of Parliament; the parliamentary political parties; the Parliamentary Service Commission; the other four parliamentary agencies on campus; the staff employed on campus and the staff employed off campus.

There are possibly others – the main point however is to accept that there are indeed customers to serve.

- b) The actual requirements of the customers be established.

Not their theoretical needs, but their actual needs – which may require a somewhat novel approach in actually looking at the “marketplace” and the customers’ needs from a bottom up approach as opposed to a “this is what you need” approach and applied on a top down basis.

- c) The services currently able to be supplied or provided relative to those needs be confirmed, with consequent confirmation of what is not currently able to be supplied or provided.
- d) All operating authorities and consents as delegated be clear, concise and most importantly, understood.

While there are certain improvements that can be considered relative to a “market-led” customer approach, there is also a specific need to ensure that all is being attended to within the appropriate legal framework.

Within the Controller and Auditor-General’s October 2006 report on Advertising Expenditure, there is considerable commentary on the practice and procedures used that in essence, allowed all participants in the administration of this expenditure, to believe they were handling the processing thereof in a correct and proper manner.

The Controller and Auditor-General’s report Section 6.28 and 6.29 notes that the Third Triennial Review of the Parliamentary Appropriations has begun. In so noting,

he invites the review team to consider the issues raised in his report, and how they can be addressed for the future.

To this end I do believe that the adoption of the overall combined recommendations within this review and as summarised in Appendix 10 would address the various issues highlighted in the Controller and Auditor-General's report.

There are however further considerations that should be applied to the "way forward" and these are associated with the organisation chart dated 20 April 2006 and shown on page 48. In this regard I have made a number of assumptions relative to what I believe will be the feedback from the various customer groups when they are consulted on their needs going forward. These assumptions are based on my belief that the range, quality and intensity of functions and outputs required will in future be much more specific and service oriented and I comment on the functions highlighted within the tier two level positions on the above chart.

1. General Management – a much more positive and mutually beneficial support mechanism must be provided from/to General Management and the Speaker. Ditto the General Management, Parliamentary Service Commission and Office of the Speaker functions and outputs.
2. Corporate and Strategy – this position in the Parliamentary Service is new. The functions described are definitely needed. Establishing this role will also assist with succession planning.
3. Member Support and Human Resources – a critical area providing the main interface with the Members of Parliament. I see this as becoming one of the key output suppliers within the overall organisation in the future.
4. Operations – possibly an area to be combined with the Services functions of the Strategic Security and Services section. Potential for outsourcing certain functions needs further consideration.
5. Security – security is commented on in Part Six of my report where I propose that it should be outsourced. The balance of Services left should be combined with Operations.
6. Chief Finance Officer – this section is bound to increase in importance and has the ability to provide numerous services across a large proportion of the customer base if it is structured to be able to do so.
7. Information Systems and Technology – currently, this function is totally under-resourced. This should be the unit which leads the overall development of all ICT outputs on campus (and be resourced accordingly).
8. The Library, Information and Knowledge – this is a well-managed unit with potential to provide greater assistance to most on campus (or for that matter, off campus).

These succinct summaries are provided primarily to give an indication as to where I see the redirection (customer based) of the Service moving to. Other work being undertaken may obviously explore the rationale of these prospects in much greater detail.

## **Structure and Management**

With Part Four and under the heading "An alternative scenario" mention is made of the fact that the Parliamentary Service has responsibility for some 650 staff

(employed from Kaitaia to Invercargill) and the administration of expenditure totalling some \$105m.

The overall functions of the Service are further elaborated within the “family tree” or organisational chart diagram noted on page 48.

When considering the numerous and various issues that are covered within this Review relative to performance, outputs, accountability, measurement, governance, management and the like, it becomes quite apparent that one of the major elements relating to the current predicament – is that there is really no corporate structure for what is (by any standard) a sizeable commercial entity.

Firstly, I found during the Review the perception that the General Manager is not seen as having the same standing and authority as is assumed the case with a Chief Executive. This may well be a distraction but in practical terms came through as a reality.

The General Manager reports to the Speaker who regardless of background may not necessarily be an experienced commercial manager – and without doubt the responsibility for 650 staff and \$105m of expenditure confirms the “entity” is indeed commercial.

The overall management challenge is well recognised within the Service but it virtually operates in a vacuum in respect of the normal “checks and balances” one would expect to find associated with a corporate entity of this size.

Simply put an effective overall system of corporate management and measurement is not apparent, which given the lack of governance structure, is quite understandable. In this regard, I am basically referring to the “management of process” as opposed to management of policy.

Accordingly I have commented within “An alternative scenario” (page 36) and with “The Way Forward” (page 47) on the introduction of an Advisory Board which would provide the focal point for the introduction of normal management practices and procedures including the generally accepted standard outputs that confirm appropriate governance and accountability.

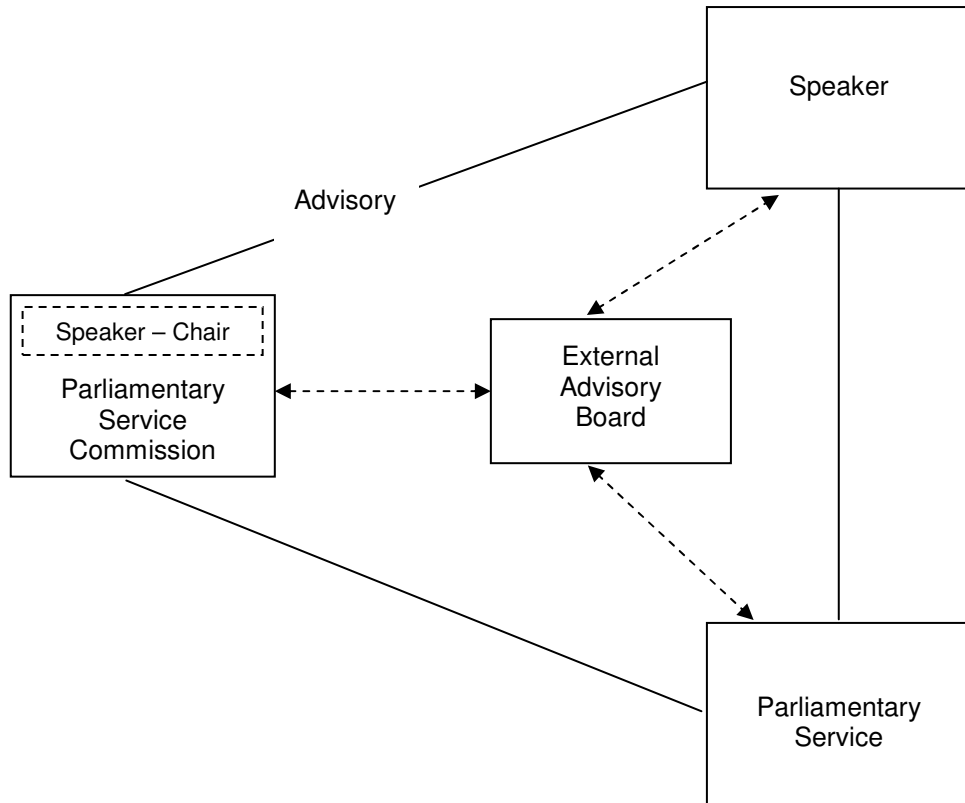
On page 52 I show two diagrams which provide examples of where this Advisory Board could interface with the key participants.

The first diagram reflects the possibility of an immediate start with an Advisory Board in essence, being available to all participants whilst at the same time being able to impact advice and counsel to all, and including introducing aspects of performance measurement and accountability.

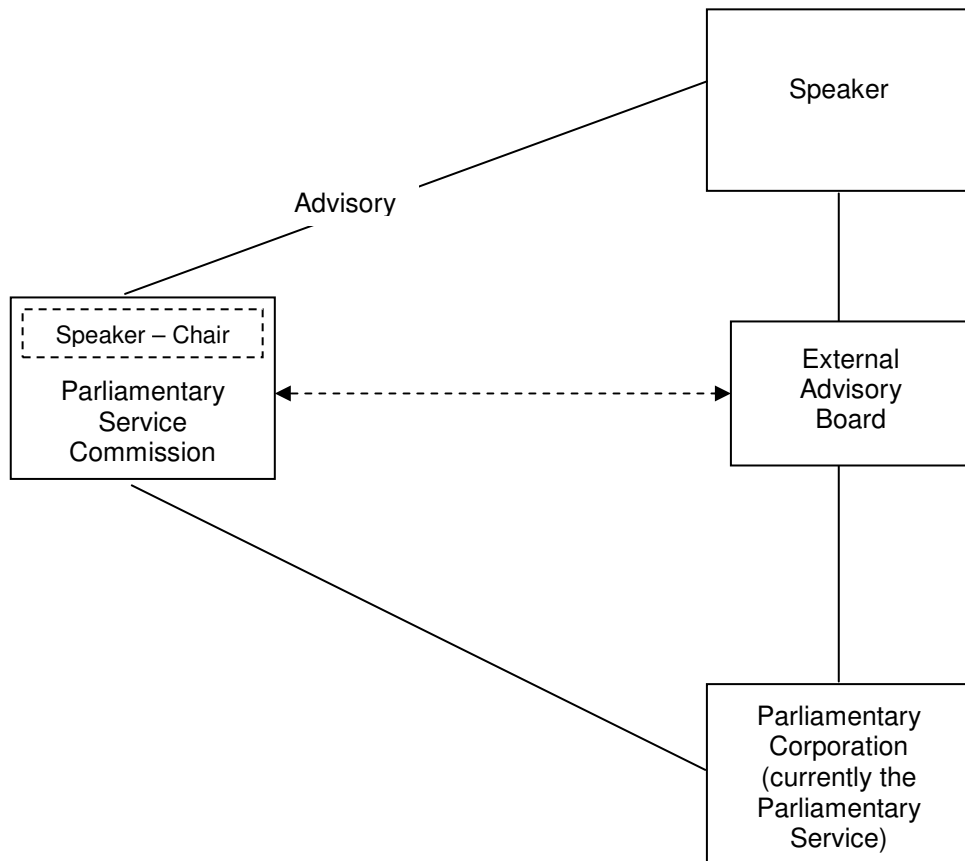
The second diagram picks up the introduction of the Parliamentary Corporation as being the critical entity going forward. Such a development provides a much more direct form of interface with the Office of the Speaker, whilst still being available to assist the Parliamentary Service Commission.

Looking to the longer-term future I have no doubt that the second diagram provides for a much more effective form of assistance to the overall management of the “commercial arm” of Parliament.

**Diagram One: This diagram shows proposed Advisory Board Input within the present structure**



**Diagram Two: This diagram shows proposed Advisory Board Input within a new structure**



One potential further benefit of this particular option is that it does provide for a much simpler form of direction to be applied to the Parliamentary Corporation (Parliamentary Service) while still retaining a direct link for advice to be provided to the Speaker by the Parliamentary Service Commission.

Obviously there is considerable work to be done to effect either of the two solutions offered. However at this stage I believe it important that some form of solution be tabled, if for no other reason than to start a dialogue on the change that is needed.

### **Staffing within the Parliamentary Service**

A number of staffing matters were brought to my attention. These are canvassed below.

#### ***Staff numbers***

I have considered the trends relative to staff numbers employed by the Service. The schedules on the following page refer, and confirm that there has not been other than a conservative approach followed by the Parliamentary Service. Numbers have been relatively stable apart from the category of core staff. If you remove the extra security staff employed to man the new entranceway to Parliament and associated functions, an increase of 33 since 2002, then the numbers have been extremely consistent over the five-year period.

These numbers do not support the suggestion of “empire building” which was one criticism levelled at the Parliamentary Service during my review.

What is a little disturbing however is the apparent high incidence of staff turnover. These are not figures that one might expect relative to employment within the service of Parliament. Obviously these figures are affected by “events” such as at each election when a change in elected representatives can mean a change in support staff – but the actual turnover figure appears high to me.

Within certain organisations I am associated with a figure of around 10% is deemed acceptable and in others around 15% is acceptable. I am unable to comment meaningfully on the appropriateness of the figures shown. However in the interests of good governance I make the following recommendation.

#### **Recommendation**

- a) That work be carried out to determine the incidence of staff turnover associated with parliamentary events and the overall staff turnover compared to other preferred employment organisations.

It may well be that the figures shown are actually reflective of a preferred employment organisation – however it would be interesting to actually confirm this point relative to the non-events based staff turnover.

NB On the chart showing staff turnover it should be noted that the actual turnover percentages for 2002 and 2003 are not available and cannot be derived from the figures shown for those two years.



### Staff numbers

	2002 FTE	Actual	2003 FTE	Actual	2004 FTE	Actual	2005 FTE	Actual	2006 FTE	Actual
Executive Assistants	88.53	89	86.33	89	90.98	93	92.78	93	96.52	98
Out-of-Parliament Offices	182.65	237	173.53	226	179.00	229	169.11	217	187.53	241
Parliamentary Party Offices	74.60	78	75.32	79	68.00	72	73.24	78	60.28	66
Core Staff	173.27	202	176.95	220	188.25	217	201.06	229	234.03	244
<b>TOTALS</b>	<b>519.05</b>	<b>606</b>	<b>512.13</b>	<b>614</b>	<b>526.23</b>	<b>611</b>	<b>536.19</b>	<b>617</b>	<b>578.36</b>	<b>649</b>

### Staff turnover

	2001/02 %	2002/03 %	2003/04 %	2004/05 %	2005/06 %
Executive Assistants			22.00	14.13	48.35
Out-of-Parliament Offices	23.10	43.00	14.00	20.72	44.70
Parliamentary Party Offices			55.00	33.33	62.82
Core Staff	19.60	17.00	22.00	19.52	14.47

### ***Events-based employment***

An unusual feature of some of the occupations within the Parliamentary Service is that they are events-based – that is, employees work for a particular MP only and employment ceases if the employee works for an MP who retires or is not returned at an election. This has led to employment arrangements reflecting the fact that the make-up of Parliament can change at each General Election, and sometimes between elections. Prior to an election it is not known which MPs will remain in, or leave Parliament, and which parties will form the Government and therefore which MPs may become Ministers.

It could be said that there are a number of benefits to this “events-based” practice. It gives all concerned a degree of certainty as to how events such as an election will impact on employment, and allows an orderly transition from one event to the next, from a staffing perspective. Alternatives are not easy to determine. No MP will want to be forced to work with someone who may not be acceptable – for any number of reasons. Vice-versa also applies.

One problem that was identified however was relative to the notice period given to persons employed within this event-based practice. It is currently 4 weeks. Two weeks of this notice is applied prior to the election date and two weeks post election. Sometimes however it can take longer than two weeks for a government to form which can cause a situation where such events-based staff are in essence held in limbo. It would be totally logical and I believe would also prove helpful even if it did on occasions provide overlap by extending the notice period from 4 weeks total to 6 weeks total.

### **Recommendation**

- a) That the notice period given to “events-based” staff on the occasion of an election be extended forthwith from 4 weeks to 6 weeks, with no change in the pre-election date notice period.

### ***Staff remuneration***

As there appears a high incidence of staff turnover in some areas, the question arises as to whether remuneration is an issue in retention. If it is, it will be a matter of understanding and/or addressing pay relativity with other areas of potential employment for Parliamentary Service staff.

Keeping remuneration levels abreast of the market is now facilitated by the job family-based remuneration system currently in operation. However, the cyclic nature of events-based employment in the Parliamentary Service can disguise the extent to which relativity is actually being maintained.

This is something I believe the Parliamentary Service should look into and satisfy itself that remuneration for events-based staff is both fair and market sensitive. Movement towards parity with events-based staff employed in Ministers’ offices should also be considered. Within the section covering the Parliamentary Library, I also commented on what I thought were relatively low rates of remuneration there.

The overall position relative to remuneration practice can appear somewhat inconsistent at times. On the basis that equity and parity are policy relative to the remuneration for the same position, whether based for instance in Westport or Central Auckland, one could suggest a further allowance of some description be

determined for high cost employment areas. There were a number of employment concerns relative to remuneration, length of service re pay rate ceilings and the like repeatedly expressed to me. Obviously there are concerns across a range of positions and responsibilities.

I therefore make the following recommendation.

### **Recommendation**

- a) That a study be commissioned to advise on remuneration for the different functionaries employed in executive and support service roles on the parliamentary campus. An objective of this study would be to also establish whether there is a case for reviewing the adequacy of pay scales (including the Library) and for location allowances for out-of-Parliament staff.

### ***Staff training***

The Parliamentary Service currently co-ordinates training for MPs' staff but it only provides the same opportunity for all staff regardless of party. Funding for training initiatives for staff within their own caucus must come from the Members' support allocations. This does mean a degree of inflexibility as parties generally have little interest in being participants in joint training programmes.

I do however conclude that party-specific training should remain a matter for the parties and members, from the resources already provided for running their operations at Parliament and out-of-Parliament. It is hoped that the additional funding for party and member support recommended in Part Seven below, will be used in part to fund more staff training.

### ***Out-of-Parliament office staffing***

Matters relating to staffing in out-of-Parliament offices are covered in Part Eight of my report where I consider the links between these offices and the Parliamentary Service and parliamentary campus, ongoing training/induction and for setting up new offices, employer obligations regarding the standard of office premises and ICT connectivity with the parliamentary system.

### **The Office of the Clerk**

The 2004 Review noted that the Office of the Clerk had underway, or planned, a number of significant developments that required additional resources from either Vote: Office of the Clerk or Vote: Parliamentary Service. The majority of these have now either been accomplished or progressed, which is most pleasing to note.

I comment on three advances:

- the advent of the new parliamentary website (produced in collaboration with the Parliamentary Service);
- the imminence of televising of the House (I am advised that funding has been approved and contracts have been let); and
- that the E-committee pilot project is progressing steadily. (This new technology project is testing the concept of the e-committee in two select committees – the Justice and Electoral Committee and the Commerce Committee – with the aim of providing MPs with easier and

quicker access to select committee documents from within the parliamentary complex and from other locations.) The E-committee project is expected to also lead to the publication of select committee proceedings on the parliamentary website when they are reported to the House and as well to people being able to submit submissions electronically and to access them electronically when they are released by committees.

I am pleased to see this progress being made. These developments are all synonymous with providing better public access to Parliament, and are thus entirely consistent with the principle behind this review: “enable Parliament to serve the democracy of New Zealand better, especially in terms of an open accessible Parliament.”

It is also pleasing to see the extent to which the Parliamentary Service and the Office of the Clerk are collaborating on a number of projects – as, notably, with the parliamentary website, the E-committee project, the development of the televising of the House and instantaneous interpretation. Parliamentary education continues to be delivered on a joint basis, such as the Open Day initiative in October 2006.

The 2004 Review also highlighted the merits of introducing a select committee version of Hansard. I am advised that transcripts of select committee evidence are increasingly being requested as the usefulness of this data becomes apparent. The Office of the Clerk will continue to produce transcripts in response to committee requests. This does not fully meet the emphasis placed by the 2004 Review on, eventually, a publicly available record of select committee proceedings, but seems a practical and useful step forward. I note the Office’s comments that the adoption of a select committee Hansard is a matter for the House itself and that the Office will prepare an options paper for the Standing Orders Committee on this topic during the course of this financial year.

Work remains to be done on the development of an instantaneous interpretation service.

The Office of the Clerk informs me that it plans to continue with the development of its information strategy, to support the “open, accessible Parliament” goal. The main steps in its strategy will be to roll out the E-committee system to all committees, implement an electronic document management system and continue the development of its core parliamentary data system. The Parliamentary Service has been most supportive in the development and implementation of this strategy.

There was concern expressed by some as to the rotation policy of staff who are employed to assist select committees. Whether best practice relative to training, provision of expertise and tenure associated with a particular committee is indeed providing the best outcome, should be re-evaluated. The Office has recognised a risk that currently exists around the possible retirement of key experienced staff of long standing. A capability building funding bid has been made for the 2007/08 financial year to implement career and leadership development programmes across the Office. The objective is to enhance capacity to lead the profession and manage the organisation.

## **Recommendations**

- a) That a capability enhancement programme for the Office of the Clerk be properly resourced to ensure appropriate levels of institutional knowledge are maintained for future service delivery.
- b) That the effectiveness of the current staff rotation policy for select committee support be re-evaluated.

There are two further areas that I wish to raise for consideration:

- funding for international parliamentary travel; and
- select committee travel.

### ***International Parliamentary Travel***

New Zealand is playing an increasingly greater part in international parliamentary activity as globalisation further impacts across a wide range of subjects.

I was advised that a review of the interparliamentary travel programme, along with a review of the role of parliamentary friendship groups will be undertaken in 2007.

I also record the view expressed to me that the outward travel budget in Vote: Office of the Clerk should be increased substantially – subject to there being a set of policies to ensure clear objectives, clear assessment of benefits and relevance and that funding is applied to areas of maximum effectiveness in terms of the interests of the New Zealand Parliament.

With all travel there needs to be clear understanding of purpose, with obviously the clear purpose thereof being associated with the genuine needs of, or for the overall betterment of Parliament.

### **Recommendation**

- a) That the budget allocated within the Office of the Clerk for official international parliamentary travel be reviewed in the 2007/2008 financial year. The sum determined as appropriate should reflect the role New Zealand is increasingly playing in the international parliamentary arena.

### ***Select committee travel***

Whilst the venues now available for select committee hearings in Wellington have improved markedly, providing quality facilities within Bowen House, I was asked to give consideration to an allowance for select committees to travel internationally, if appropriate.

The point arose relative to the expertise and experience that may be within a specific committee and a specialised subject, or that may be lacking through no fault of anyone. It was well accepted that modern communications allow for advice to be collated from many sources and on many subjects. However it was also suggested that on some subjects committee members could well benefit from seeing first hand certain “customs or practices” of other countries, and possible impacts relating to our own legislation.

Although for almost 20 years now there has been an annual exchange of select committee visits to Australia, it could well be argued that such travel should provide for visits further afield.

Currently there is no ability for such visits other than to Australia to be made except in an individual capacity at one's own expense.

There is no doubt there are many benefits to be gained from such travel focused on a specific committee's investigations. The question becomes in essence "which committees should travel, why, when and where?"

The business of Parliament is critical to our eventual success as a nation. In specific circumstances I would have thought it totally appropriate for a select committee to travel to a source that could provide valuable experience as background to its work.

Various controls could easily be put in place to determine the need, such controls being predicated on the need being of an exceptional nature, as opposed to "the norm."

It would be inappropriate for me to comment on the relevance of examples that were given me as potentially providing more robust outcomes if overseas experience had have been noted first-hand. My own corporate experience, however, does provide me with first-hand awareness of the benefits associated with direct subject-matter education gained from international travel.

Accordingly I have no hesitation in providing the following recommendation.

### **Recommendation**

- a) That the existing provision for select committee travel between Australia and New Zealand be extended to allow for similar visits to be made to other countries subject to appropriate criteria being met. (A simple control could be the limitation of this policy to only allow for one such visit per annum.)

### **Parliamentary Information and Research**

Previous reviews have noted the fundamental importance of information and research to the work of Parliament and its members.

The main sources of information and research funded by parliamentary appropriations are the Parliamentary Library (within the Parliamentary Service) and the party research units. My discussions with management in each of these areas did not suggest any major areas of concern.

#### ***Parliamentary Library (Parliamentary Service)***

The Library, an integral part of the Parliamentary Service, remains a highly regarded, and much used source of information and research on the parliamentary campus, both directly to MPs and through other channels such as the research units. The research units rely extensively on the library for factual, quality information. Approximately a third of the Library's work is for the research units.

The Library's role in information and knowledge has been enhanced and strengthened on a number of fronts under the leadership of the Parliamentary

Librarian/Group Manager Information and Knowledge, with the support of the General Manager of the Parliamentary Service.

I do note the extensive resource the Library committed to developing and launching the new parliamentary website, in partnership with the Office of the Clerk. I have commented more fully on the website achievement in Part Six.

I also note that while intranet and Internet services on the campus have widened the scope for MPs and staff to conduct their own information searches, and a level of training is provided to help them do this, the Library continues to provide an essential expert and specialised service for both finding and analysing information on a huge range of topics.

More broadly, the Library is credited with a shift in focus over recent times from reactive service provision to more proactive product development, designed to meet the needs of its users.

Looking to the future, there is more work to do to strengthen the traction the Library has gained in service delivery. I am advised that a number of projects are underway or planned that are aimed at further improving the Library's ability to offer high quality services. Future work includes continuing to build Library capability, further refinement of the new website and progressing the goal of integrating information management across the campus.

It is my understanding that funding is available for these projects. In my view it is important to maintain funding to a level that reflects the role information plays in the 21st century and that keeps Library services at the forefront of product development and delivery.

In my opinion an ongoing issue, however, will be staffing the longer-term development projects while, at the same time, delivering on the high volume of day-to-day information requests. In this regard it may well be necessary to revisit remuneration levels for Library research staff, for both retention and recruitment purposes. I believe this situation poses some risk and should be reviewed.

### ***Research units***

In respect of the research units, the main resourcing issue raised with me was the difficulty experienced in budgeting for staff training from existing budgets. My proposals for raising the level of the Whips' office funding (from which the parties fund research activity), together with increases to the Leaders' and Members' Support funding, should provide more flexibility to manage staff training costs and also help ensure our politicians continue to be served with quality research services.

### **New Zealand – Australia Political Exchange**

I noted the report of the Fourth Delegation to Australia of the New Zealand – Australia Political Exchange programme, in March 2006. A group of five young potential political leaders (not current MPs, but led by a sitting MP) made the visit as a 10-day study programme.

The delegation visited New South Wales, Australian Capital Territories and Western Australia. Federal government, state and local government offices were visited with presentations being made to the delegation by Ministers, Government and Council officers as well as by executives of a number of corporate businesses.

A reciprocal visit hosted by New Zealand was made in July 2006.

I was asked whether I saw merit in such an exchange programme continuing to be funded from the Parliamentary Appropriations.

I believe such a programme increases New Zealand's political visibility and leadership capability within the international community and obviously provides opportunities and exposure to other political systems, ideas and issues. For young potential political leaders this must provide invaluable experience and contribute to the pool, and talent level, of our future political leaders.

A further point of discussion that arose was whether a wider regional approach could be taken, by extending the scheme to include our Pacific Island neighbours.

### **Recommendations**

That:

- a) The New Zealand Exchange programme for young political leaders be continued and that funding be made available for an overseas visit on an annual basis; and
- b) The current number of participants per delegation and selection process thereof be revisited to ensure the criteria for selection, in all respects, remains pertinent to the original objectives.



## **PART SIX: THE PARLIAMENTARY CAMPUS**

---

### **Administration of the Parliamentary Campus**

The core parliamentary complex covers an area of some 4.6 hectares of land, including Parliament House, the Parliamentary Library building and the Beehive. In terms of floor area the complex comprises 75,376 sq m covering the three buildings on the main site and leased space in Bowen House and the Reserve Bank Building.

In considering elements of the campus my focus is directed to the five agencies that operate within it, viz the Department of Prime Minister and Cabinet, Office of the Clerk, Ministerial Services, Parliamentary Counsel Office and the Parliamentary Service.

Each of these entities obviously has its own organisation structure and staff, its own plant and equipment, ICT, funding requirements, purchasing needs, security considerations, training requirements etc – in fact all the elements that make up the normal attributes of a dynamic organisation. Obviously the range of activity within each entity varies from specialist outputs to general outputs, with a similar range being applicable to inputs.

As well, certain functions are often the responsibility of one entity on behalf of the others. On-site security and the overall maintenance of the buildings are two examples of this feature.

All five agencies have common needs. ICT, Human Resources, payroll administration, purchasing, accounting and financial services are subject examples – albeit to lesser or greater degrees.

One quickly assumes therefore that there must be significant scope for rationalisation and/or centralisation of a wide range of services and functions albeit the decision to do so is the responsibility of the respective Chief Executives.

Further consideration however identifies that certain of the agencies are providing executive services (to the government of the day) and others provide services to Parliament – wherein the totality of parliament is addressed.

Under the heading Organisational Structure, the 2004 Review Committee recommended that “The scope for merging some functions and services of at least the Office of the Clerk, Parliamentary Service and Ministerial Services, and possibly the Parliamentary Counsel Office and Department of the Prime Minister and Cabinet, be investigated, using external expert assistance.”

Given the environment the Parliamentary Service currently finds itself in, one could be tempted again to promote a similar recommendation. However other projects are now in train which will give rise to at least some direct consideration of this subject.

I do however believe that I can make a general observation pertinent to the current operations of the Parliamentary Service and how they might further impact on the other campus agencies.

The base reality is that regardless of outputs, each agency requires inputs relative to ICT, Human Resources, payroll administration, accounting services – and there are others.

Within its current Statement of Intent the Parliamentary Service has a prime Vision of “Professional Services to Parliament”. This in turn translates into a Mission “To provide effective, efficient and timely policy advice, administrative and support services to meet the needs of Members, parliamentary political offices and the institutions of Parliament and fulfil the Provisions of the Parliamentary Service Act 2000”.

In this regard it appears to me that if the Parliamentary Service was to position itself to be able to provide top quality services that fulfilled the requirements in certain areas, e.g. HR, payroll, accounting etc. of the other parliamentary agencies, there could indeed be natural incentives for those other agencies to want to “buy” those services.

As matters stand at present this would be a major challenge for the Parliamentary Service. However I see many reasons as to why the Service should indeed set itself up, through a programme of strategic development, to deliver such products.

Such a move would be consistent with what I understand Ministers have recently requested of the State Services Commission – a review of the extent to which shared service models might be appropriate for the wider public service in New Zealand, in light of experience in other jurisdictions.

The key is – the output and quality of the product must be consistent with the wants and needs of the customer.

The supply of select quality services across the campus may well be a starting point in effecting a greater degree of common supply points, in turn leading to synergy benefits which generally flow from merging such supply services or part thereof. I therefore submit the following recommendation.

### **Recommendation**

That:

- a) The Parliamentary Service confers with the other four agencies within the parliamentary campus to objectively determine what products and services could be provided as a cost efficient measure, for mutual benefit.

### **Security**

Having served for five years on the Airports Council International World Standing Security Committee, and having led Auckland International Airport Ltd through such international events as APEC and CHOGM, I believe I am adequately qualified to comment on the subject of security and security operations – and in this case, as might affect Parliament.

The 2004 Review noted three recommendations relative to security as follows:

- a) security for the Parliamentary complex be treated as a matter of the highest importance and be funded accordingly;
- b) a comprehensive strategic plan for security be developed immediately and be completed within six months; and

c) the security of the Parliamentary campus should be under constant review.

In February 2006 under the heading “A Sense of Direction – A Strategic Plan for the Security of Parliament 2000 – 2010” a discussion document, was circulated in which a “vision” of the security status of Parliament in the year 2010 has been formulated.

Accordingly it is now most pleasing to see the advent of this document, which is partially a result of the 2004 recommendation b) above.

Security is a serious subject. The products of security, which are generally items that interfere with our everyday life in the form of ‘stops and starts’, or ‘checkpoints and rechecks’, cause most of us to query why indeed we have to “put up with this nonsense – nothing ever happens here”. The movie *Out of the Blue*, showing in New Zealand theatres in late 2006, confirms that unfortunately things do happen here. The Rainbow Warrior affair is a further reminder.

It is not in my opinion the task of this Review to provide for public debate on the subject of security and the desire to maintain an “open and accessible” Parliament. Nor do I believe it is helpful to highlight my current findings in a public document. Security is a product which does not necessarily benefit from “advertising”. Advertising and/or discussion is just as likely to create challenge in the minds of some – as well as creating comfort in the minds of others.

I have discussed certain aspects of security directly with the Speaker, and will obviously further assist on this subject if required.

There is, however, one item that I am prepared to comment on in a public sense. That is, it is my considered belief that the management and operation of all aspects of security planning and operations for Parliament be transferred from the responsibility of the Parliamentary Service to the New Zealand Aviation Security Service, a separate entity within the Civil Aviation Authority of New Zealand.

I would be more than prepared to debate my outsourcing recommendation and to contemplate the possibility that there may indeed be agencies other than the Aviation Security Service that could perform this function. However, at best there would only be a limited number of candidates.

In this context I do not believe it appropriate to further discuss here the “positives and negatives” that may or may not apply to the operation of security at and for Parliament.

I do however suggest that the business of security is indeed a specialist industry and unfortunately, as time progresses, will become more and more invasive to us all as individuals. Advances in technology will continue at pace – in many areas indeed driven by the world of aviation. Direct interface with people will continue to provide a critical point of review, increasingly backed by various technological outputs and analysis.

Security is obviously not just about the access by people to a particular place, occasion or happening, although most of us relate security primarily to some form of personal screening at a particular stage of a process or entry point.

The realities of security cover everything from threat assessments to card or other systems of IDs, to static or mobile patrols to CCTV monitoring, to document security,

contingency planning, access systems, facilities search, communications, records and files, infrastructure planning – the list goes on.

The security of Parliament and its members and staff includes responsibilities well beyond the Wellington parliamentary campus. There are 152 out-of-Parliament offices throughout the country for instance, and of course there are the residences and families of Ministers and MPs. (I am aware that at present the security of Ministers is the responsibility of Ministerial Services.)

In this regard it is doubtful going forward whether an organisation solely based in Wellington can provide the overall assurance and outputs pertinent to the level of comfort appropriate for all involved at or with Parliament. This is particularly so given that the Parliamentary Service's security responsibilities relate to the parliamentary precincts and do not include a responsibility for security beyond those precincts other than to the extent of providing a safe and secure environment for Parliamentary Service employees.

Regardless, I remain concerned as to whether a singular and unique security department within an entity whose prime business is not the provision of security services can be a total and leading edge provider on a consistent basis going forward.

The Aviation Security Service is held in particularly high regard within the international aviation community and operates at a number of locations throughout New Zealand.

However in making this recommendation I am aware that the Aviation Security Service is publicly criticised from time to time for various alleged failings. The Service however has an exemplary record in respect of performance and is well used to handling the many sensitive issues associated with processing visits by Royalty; Heads of State; VIPs; Corporate Leaders; Celebrities, Champions of Sports and obviously many others representing a wide range of activity and interest, including the general public. They are also well experienced in being able to quickly adapt to changed circumstances.

The arrangement that I would envisage here would be outsourcing by the Parliamentary Service which would continue to have direct responsibility for this contract.

In making this recommendation it is envisaged that all staff would simply transfer, there being no redundancies anticipated. Other features such as existing uniforms could also be retained.

## **Recommendations**

That:

- a) Forthwith, the functions and staff of the security operations department of the Parliamentary Service be transferred to the New Zealand Aviation Security Service; the ownership of capital equipment also to be transferred.
- b) The outsourcing of total security strategy implementation and management to the New Zealand Aviation Security Service would continue to be by the Parliamentary Service.

## **Information and communications technology**

Information and communications technology (ICT) in the parliamentary environment was comprehensively canvassed in the 2004 Review which highlighted ICT as an “essential tool for members of Parliament and for the operation of Parliament”, and a significant area for ongoing investment.

Major advancements since then have been the Joint Information Strategy (JIS) involving the five agencies within the parliamentary complex and the new parliamentary website. These collaborative initiatives are indicative of the way of the future, as I discuss below.

### ***ICT across the campus***

A Parliamentary Agencies Information Committee (PAIC) has of late been operating to address matters of common interest among the five agencies on the campus. It appears that progress is being made in terms of greater recognition of common interests and awareness of the need to work together. It is not obvious however that this has yet been translated into any real tangible action.

The Committee has produced a Joint Information Strategy (JIS) for the five agencies located within the parliamentary campus. The purpose has been to lay a stronger foundation for enhanced collaboration on matters pertaining to information and information technology. The agencies concerned are the Office of the Clerk, the Parliamentary Service, the Department of the Prime Minister and Cabinet, the Parliamentary Counsel Office and the Department of Internal Affairs (Executive Government Support).

The JIS recognises that while each agency has its own mission to fulfil, there are areas of commonality and similarity: similar technology adoption levels (although differences in specific technology solutions selected), similarities in information use and information systems, similarities in approach to service to stakeholders many common needs of their systems and from their clients and stakeholders.

The JIS is built around seven identified opportunities:

- standardisation – agencies sharing data and functionality of systems in a more seamless way;
- business continuity;
- combined procurement – achieving economies of scale on hardware, software and some services;
- enhanced risk management – a centralised and coordinated security function;
- improved data integrity for all stakeholders;
- outsourcing opportunities for certain “commoditised” services – freeing staff for mission-specific work; and
- cross-agency co-operation – using resources in the most efficient and beneficial manner.

ICT Managers will be expanding the JIS and developing a common vision and strategy for ICT across the complex.

They expect that this will result in recommendations to PAIC for a joint programme of work covering the followings areas:

- Security – common standards and joint governance
- Disaster Recovery
- Network capability
- Electronic Document and Records Management
- Information sharing standards
- Common vendors
- Co-location of services.

Jointly-commissioned outsourcing has, I believe, particularly valuable potential, given the current scarcity of skilled IT professionals in New Zealand. The General Managers of the Parliamentary Service and Executive Government Support (Department of Internal Affairs) have agreed in principle to implement joint delivery of IT support in the future. The two agencies are working on a Memorandum of Understanding for joint management of ICT services, with the aim of completing this by the end of March. The end goal is to become much more closely aligned and, potentially, share infrastructure and support arrangements, with a timeframe of post the 2008 General Election. Other campus agencies have also expressed an interest in joint outsourcing and will be consulted as part of the PS/DIA work.

It is also promising to hear of further collaborative initiatives that are underway, notably:

- The project on televising Parliament, being undertaken jointly by the Parliamentary Service and Office of the Clerk and due to be up and running by July 2007. This is a large project and combines a focus on televising Parliament with a focus on creating an archive for storage and retrieval.
- The work being done by the Parliamentary Service and Executive Government (Department of Internal Affairs) to evaluate the potential of Ministerial Services moving to an ICT environment compatible with that operated by the Parliamentary Service. I understand the shape of such an environment is yet to be decided but it is encouraging to note that the work is funded and a pilot of key aspects is about to be run. Full implementation will overcome the frustration for members of Parliament moving in or out of Ministerial offices and staff thereof – noted in previous reviews – of incompatible systems.

The agreement between Parliamentary Service and Executive Government Support (Department of Internal Affairs) to consolidate their mobile telephone contracts into one. Again, this will overcome the frustration for Members of Parliament moving in or out of Ministerial office through the having to transfer phones between contracts.

There is much scope to continue in this vein, and tackle second-tier inefficiencies in the way ICT is currently managed – as, for example, with the practice of parliamentary parties and MPs producing their own electorate databases in their own ways. Electorate databases are essentially a ‘commodity’ that could be produced once, centrally, for all parties without compromising their autonomy.

My conclusion is that, commendable though joint committees and strategies are, their main value so far lies in growing awareness of the need, and scope, for real action to occur. Action itself requires someone to take a clear and mandated leadership role. It is my view that a good model would be for the Parliamentary Service to take on this role for the whole campus. It already owns and manages the infrastructure for the campus ('the wires'). Hampering the assumption of this role however is the lack of personnel in the Service's structure – there is a Group Manager and one assistant. Although both are stretched with day-to-day demands they do have Axon, a private onsite contractor to provide ICT support for the campus. However this onsite support still requires oversight by the Group Manager.

The leadership role is one that should include developing the future vision for ICT on the parliamentary campus. Questions to be answered include 'what would a future ICT environment for the campus look like', 'what mix of in-sourcing and out-sourcing would best deliver required services', 'what services ought to be shared by the agencies' and the practical questions on what can be achieved by when, what funding is required from where and what people are needed on the ground to develop and support the systems.

The leadership role should also include taking direct responsibility for bringing the out-of-Parliament offices into the ICT loop and ensuring they are part of the campus system.

A key element in ICT for Parliament is the future-focused work being done by the State Services Commission as part of its E-parliament and E-government programme. I believe strongly in maintaining the momentum of this work, but have reservations about its connectivity back to the parliamentary campus of *today*. If there is value in looking to the technology of five years hence, then it needs to move from the 'think tank' environment to the marketplace where it will be applied. It is, in my view, more likely that future technology developments will gain traction within the parliamentary environment if they are being thought about, and managed, by a central supplier on the campus.

## **Recommendation**

That:

- a) The Information Systems and Technology Group within the Parliamentary Service be mandated and resourced to take on the leadership role for the future development of ICT for the parliamentary campus and out-of-Parliament offices.

### ***ICT in the Office of the Clerk***

While I am advocating a leadership role for the Parliamentary Service in respect of ICT across the campus, I note that the Office of the Clerk has recently invested in developing in-house information technology capability to meet its need for applications tailored to the business of the House. The Office has recruited 11 extra staff for its Information Service.

In one sense this move is commendable in addressing the needs of the marketplace served by the Office of the Clerk.

However the impact of this move relative to the staff numbers and accommodation is to create a significant ongoing cost (possibly in the range of \$1m p.a.) which may

well have been reduced or better deployed, had it been undertaken as part of an overall ICT strategy for the campus.

The above provides a typical example of what could happen to costs and staff numbers if all agencies on the campus decided to 'go it alone' in respect of ICT. Such developments should, I believe, be rigorously examined in terms of the implications for the overall development of the campus.

In essence no major ICT investment should be undertaken on campus unless the business case relating to it has been thoroughly researched, in the context of the Joint Information Strategy and the Parliamentary Service's responsibility for infrastructure provision.

### ***The parliamentary website***

One of the most significant events of late relative to ICT has been the launch, in August 2006, of the new parliamentary website. The launch marked a lengthy period of planning and development, and a highly collaborative effort by the Office of the Clerk and the Parliamentary Service.

As the largest collaboration project ever to have been undertaken by the Office of the Clerk and Parliamentary Service, the new website is undoubtedly a major achievement. I do not underestimate the work that would have been involved to bring different perspectives together to make a totally integrated website a reality.

It is recognised that there is scope for improvement to the website by way of ongoing refinement, as well as incorporating the sorts of future initiatives mentioned above. I am told, for example, that experienced users are sometimes finding it easier to access information through the former system. Such issues are not uncommon with new technology tools – early limitations can be expected as part and parcel of making the website fully functional. There is always a learning curve.

I note that funding is available for further improvements to the site. I would urge that a proportion of this be earmarked for improving its functionality from a user perspective. 'Test-driving' it with a selection of users would be beneficial and I commend the intent that future planning will be preceded by information gathering exercises from external users, parliamentary users and the business owners who contribute content.

### ***Intranet***

Mention should be made of the new intranet which also went live in 2006. The intranet provides extra functionality to internal users over the "mirror" of the external website. Users can customise their own homepage with the content they use most frequently directly available from the homepage. In addition, the extensive information resources provided by the Library (50,000 hits per month on the newspaper database by internal parliamentary users compared to about the same number of hits per month on the whole parliamentary website) have been migrated into the new intranet via a new arrangement.

I am advised that over time it is intended to migrate all the content to the new intranet and to decommission the original one. The new intranet will improve the quality and quantity of information available to MPs and staff. It is particularly pleasing to note that it can be accessed by out-of-Parliament offices, an important step in linking staff in the offices to the parliamentary campus in Wellington. However, the technology used to do this is somewhat "clumsy and time-consuming" and the feedback from the



out-of-Parliament offices is that there is still a considerable barrier to using the intranet. Further work is needed to make this contact easier.

### **ICT equipment**

Arrangements for effecting repairs for ICT equipment continues to feature as a significant frustration at many of the out-of-Parliament offices. A solution/s must be able to be determined here and it would be in everybody's interest to address this situation.

I have not made any specific recommendation here as this is a management problem that should be able to be solved to everyone's satisfaction.

### **Business Continuity Planning**

"The Parliamentary Service is in the process of updating its emergency preparedness plan with a business continuity plan (BCP) to cover the possibility of disaster such as a pandemic influenza, earthquake, flooding and fire. The focus of the plan is to maintain or recover key services quickly after a disaster and the Parliamentary Service is working with other agencies in the complex. ... The goal is to reduce system downtime to the very minimum that is practical."

The preceding paragraph is a direct quote from the Parliamentary Service *Statement of Intent* for the year ending 30 June 2007.

The narrative goes on to state – "Planning and testing of the resultant BCP will continue in the medium term in order to both test its practicability and to ensure it is compatible with the needs of other agencies in the complex." I was advised of various initiatives that have been taken to provide greater resilience and backup in a number of the key parliamentary systems and facilities.

Although admirable in its intent relative to the workings of the Parliamentary Service I did not conclude that anything like a comprehensive and integrated plan was in place for all five agencies present on the parliamentary campus.

As is noted elsewhere the five agencies are: the Parliamentary Service; Office of the Clerk; Ministerial Services; Parliamentary Counsel Office and the Department of the Prime Minister and Cabinet.

Within each of these agencies there are specific Business Continuity Plans or Disaster Recovery Plans. However, not all have been developed to the same level of detail.

Neither is there total awareness of what might be the course of action to be followed relative to an incident of some magnitude, e.g. an earthquake or even of lesser magnitude, for instance a fire on a particular floor in say, Bowen House.

In the case of a major catastrophe, the Officials Domestic and External Security Committee coordinates all operational functions assuming that there remains the ability to operate to some degree or other. Such prospect obviously raises the question – Could Parliament and the Executive be relocated elsewhere in such a scenario, could it relocate to say Palmerston North or Wanganui (sea access); more specifically could it be seen to appear to be "abandoning" Wellington?

In a much lesser interruption, say a fire in a certain sector or area – is there an alternative venue to relocate to and operate from. What systems would be available in an ICT respect, how long would it take to be “back in business”?

In this day and age, it is not at all unusual for there to be alternative accommodation either nearby or at distance (dependent on risk), providing for prompt re-engagement in the case of an extended outage of the original site. The degree to which services are maintained within the alternative site (or sites) are often referred to as “warm” or “hot.” A “hot” site provides total duplication able to be operational virtually instantly. A “warm” site will have a much lower degree of duplication but still providing a viable alternative.

Also of some concern to me is that there does not appear to be any one of the five Parliamentary agencies providing a coordinating role relative to ensuring that there is indeed an overarching plan for disaster recovery on the campus.

My recommendations signal my strong belief that more work is necessary on the subject of Business Continuity Planning.

### **Recommendations**

That:

- a) The Department of the Prime Minister and Cabinet take responsibility for coordinating and monitoring the appropriateness of all disaster recovery plans as promulgated by the five agencies within the parliamentary campus.
- b) The Officials Domestic and External Security Committee take urgent steps to ensure there is a practical plan in place to reinstate the operations of Parliament expeditiously should a major catastrophe render the current central Wellington site inoperable for any reason.
- c) A special funding allocation be confirmed to ensure whatever facilities (and prior study consideration) are deemed necessary can proceed as a priority.

### **The campus ten years’ out**

While the issues of campus administration, security, business continuity planning and ICT each have immediate concerns to be addressed, there is also a need to be planning for the longer-term development. I would suggest 10 years out as a sensible time horizon to be considering in this regard.

As far as I have been able to ascertain, there appears to be limited consideration being given to the longer-term view of the ongoing and future needs of Parliament, and for thinking about the factors that will affect the shape and size of the campus, and the services that might be required – including the potential impact across the campus of demographic change.

I have already touched on the importance of developing a future-oriented approach to ICT and recommended that this should be a key role for the Parliamentary Service. In particular, there is currently no apparent strategy for connecting the Member of Parliament and the out-of-Parliament offices to the opportunities being identified in E-Government/E-Parliament policies and philosophies – especially the potential in E-Parliament for greater public access and engagement with Parliament.

The future development of the parliamentary campus is multi-dimensional and will require multi-dimensional planning and management.

Under MMP the size of the House is fixed at 120 members (subject to exceptions for an “overhang” at a general election). However the configuration of the future campus will be influenced as much as anything else by the composition of the House. The influences here are at least two-fold:

- First, the mix will change according to the outcome of elections (the number of parties in Parliament and the balance of List and Constituency MPs)
- Second, the effect of forecast growth rates in the Māori and non-Māori and the North and South Island populations suggests a future decrease in the number of List MPs over successive elections driven by the census. (This is because the Māori and the North Island general populations are growing faster than the non-Māori and South Island populations – both significant factors in the calculation of the number of North Island and Māori electorate seats.)

While more speculative, an example of the type of situation that could arise say three elections out, the 2014 election (assuming current rates of population growth in the North and South Islands and trends in the growth of the Māori roll continue) an outcome of 73 Constituency seats and 47 List seats is possible. This compares with 65 Constituency seats and 55 List seats for the first MMP election in 1996 and the current 69 constituency seats and 52 list seats.

I believe the impact of these changes will not just be a matter of “finding more space to put more people,” although that in itself may be a significant challenge, it will also be about such matters as accommodating the ways MPs wish to work and the degree of access the public will expect. Physical limitations of the campus may well prove problematical 10 years out unless some elements of future planning are confirmed now.

Other factors that need forward thinking include the way the House itself functions – for example, the increasing role of select committees. The recent re-vamp of select committee rooms shows responsiveness to the growth in public participation and thought has obviously been given to ensuring the spaces are designed to serve many years to come. This is a simple example of anticipatory planning. It is also important, in my view, to avoid being too much in ‘catch-up’ mode.

It was pointed out to me on a number of occasions that New Zealand is somewhat unique in that we use a “single site” approach to the operation of Parliament. Many countries apparently have the Cabinet, Ministers and the executive domiciled separate from the non-executive members. This approach has obvious negatives relative to cost but there may well be potential benefits in respect of infrastructure provision and business continuity.

### ***Sustainable development practices***

It can be expected that a key part of the longer term development of the parliamentary campus – and indeed its development in the shorter term – will include actions to adopt environmentally sustainable ways of working. With growing concern about the environment it is totally appropriate that best practice relative to sustainability is demonstrated by all agencies on campus.

I am advised that moves have already been made to this end. The Parliamentary Service and Office of the Clerk are participating members of Govt3, an awards programme sponsored by the Ministry for the Environment that recognises sustainable practice in the operations of government agencies. The Department of the Prime Minister and Cabinet was a category winner in the 2006 awards. A committee representative of all the agencies that work at Parliament has been established and meets every three months.

The scope for sustainable development practice on the campus is obviously considerable, encompassing as it does the design and operation of buildings, recycling and waste minimisation, better practices for office consumables and equipment and energy efficiency measures.

I commend the degree of commitment to implementing sustainable development practices.

### ***The need for a long-term vision***

There are many aspects to consider when undertaking term planning exercises. Such planning is often associated with a vision and I am somewhat concerned at the fact that I did not meet with anyone who had a long-term vision for the development of the campus. Hence the recommendation that follows.

### **Recommendation**

- a) That the Parliamentary Service be given the responsibility of creating a long-term strategy for the development of the parliamentary campus and that an initial draft of this plan be considered in tandem with the Business Continuity Plan that is yet to be confirmed.

### **Food and beverage**

Considerable dissatisfaction was expressed to me relative to the quality, product range, service and pricing of Bellamy's outputs. I could agree with many of the concerns expressed having been a regular customer during the last quarter of 2006.

I would have thought the product quality, supply and service here would have been of the highest order. Parliament is the flagship of the Nation – all elements of the output of Bellamy's should reflect this image.

Certain facilities are of a very high standard but these are not necessarily those frequented by the majority of users including members, staff, their respective guests or visitors on an everyday basis.

I do note that regular surveys conducted by the Parliamentary Service have not indicated any significant dissatisfaction at all. However comments made during the course of the Review were quite critical. Therefore I make the following recommendation.

### **Recommendation**

- a) That a market review of the services and products as supplied by the caterers to Parliament be undertaken. On receipt of this survey new criteria appropriate to the image of Parliament be determined and advised.

## **PART SEVEN: FUNDING AND SUPPORT SERVICES FOR PARTIES AND MEMBERS OF PARLIAMENT**

---

This section of my report addresses a number of areas identified in submissions as requiring attention, with a view to increasing or enhancing support provided to MPs – in particular, the quantum of funding provided to the Leaders’ offices, Whips’ offices and members of Parliament.

I also consider whether there is now an environment in which a move towards the use of bulk funding for some aspects of funding, might be appropriate.

Other specific matters I discuss are the Wellington accommodation allowance, mileage allowance, use of surplus staff hours and funding for parliamentary international travel.

A major element of the support services provided to MPs is the out-of-Parliament offices, funded from the Members’ Support allocation. I deal with the quantum of the allocation in this section of my report, and in Part Eight below address provisions relating to the standard of accommodation, staffing matters, rent and the situation of large electorates (including Māori electorates).

### **Parliamentary Party and Members’ Support**

Funding is provided to all parliamentary parties and to the individual Members of Parliament for the purpose of enabling them to carry out their respective roles within the parliamentary system. There are three components to the Party and Members’ Support funding.

#### ***Leader’s Funding***

Purpose: To meet the costs of Leaders’ office staff in Parliament, portfolio work and parliamentary party management.

Amount: \$50,000 base sum per party; \$57,176 for each non-Executive MP.

#### ***Whips Office/Research Funding***

Purpose: To meet the costs of parliamentary party research units. Whips’ office staff and operating costs.

Amount: \$20,000 per MP (all MPs).

#### ***Members’ Support***

Purpose: To cover the cost of running an out-of-Parliament office, postage from Parliament, printing in and out-of-Parliament, advertising costs and technology purchases.

Amount: \$59,500 for each Electorate MP; \$37,900 for each List MP.

The \$50,000 base per party in Leaders’ funding was added subsequent to the 2002 Appropriations Review. Members’ Support allocations were also increased as a result of that review, from the previous levels of \$55,000 (Electorate) and \$34,200 (List).

Submissions to the committee identified a number of areas where parties believed a case could be made for additional funding in one or other budget categories. In this regard virtually all of the concerns expressed and submissions made were very similar to those made to the 2004 Review. In most instances frustration was vented along the lines that “nothing was being done” in response to the submissions previously made. Aspects highlighted again this time included:

- The case for increased funding for smaller parties, to recognise the ‘diseconomies of scale’ they face in being expected to handle a wide range of policy issues without the number of MPs and the bigger budgets that the larger parties have. It was suggested that smaller parties would benefit from being able to employ more staff for specific policy activities such as communication and research.
- A general case for more research capacity in the parliamentary party research units.
- It was again strongly suggested by some that the differential between the Members’ Support allocations for Constituency and List MPs should be reduced.
- Vehicle reimbursement provisions were thought by some to be insufficient.
- Funding should allow all parties to have access to tele and video conferencing facilities.
- A strong view that Electorate MPs should be able to afford at least two mail-outs to their constituents a year, from their support budgets.
- There were numerous propositions made relative to a wide range of “wants and needs”.

The most pressing need however, expressed universally in the 2007 Review submissions, was for relief for the costs of running out-of-Parliament offices, most particularly in respect of rent and the cost of complying with health and safety standards and with upgrades identified in Parliamentary Service audits. Rent variances around the country have a large impact on out-of-Parliament office costs, and leave some MPs with little to come and go on for other direct costs charged to their support budgets.

I have taken the same view as expressed by the previous review committees, that channelling additional funding into Members’ Support allocations has a very real and beneficial impact on activities that are central to the democratic process. It generally means more resources going directly to Constituency MPs to support their roles as electorate representatives, and to both Constituency and List MPs to support their respective roles in the interface between Parliament and the public.

Also raised with me was the perceived benefits of bulk funding and the flexibility therein to accommodate what in effect would be akin to a centralised party-based financial system able to provide “give and take” options across a number of expense items. I comment further on bulk funding later in this Review.

I examined in detail a number of out-of-Parliament office budgets as kindly made available to me by a number of MPs. It was interesting to note in the detail provided that many of what I would call normal office functions do not get mentioned at all, reinforcing the impression I received when visiting some out-of-Parliament offices that maintenance, facilities upkeep, cleaning and general equipment care are

relegated to the category of “if we had the money ....” This seems to be a result of efforts to keep the offices concerned operating within their support allocations, and may explain why in some cases overall maintenance is somewhat lacking.

Running costs continue to increase overall, and particularly with utilities such as electricity and gas.

I failed to identify any out-of-Parliament office situation that presented a relaxed approach to their funding and expenditure needs. Budgets are managed tightly.

I received genuine expressions of concern from the smaller parties regarding their desires and aspirations relative to the impact they can achieve across a broad range of parliamentary activities. Logically, given that the smaller parties do not have the Member numbers, this will always provide challenge to them. Well-considered submissions were presented on many issues by the smaller parties with one providing a reasoned case for the Leaders’ funding to be increased from its current \$50,000 to \$500,000 pa.

The three component parts to party and members’ support funding were established in 1996, operative from then and providing the basis for such funding for the last 10 years. This funding was obviously associated with the advent of MMP and has had two prime adjustments since its inception. A base sum of \$50,000 per party was introduced in 2002/03 to assist the Leaders’ budget and also in 2002/03 the Members’ Support allocation was increased by 15%.

The 2004 Review concluded relative to funding that a different method of managing the out-of-Parliament offices be recommended. Associated with that this recommendation was an approximate 12% increase in overall Party and Members’ Support funding. Leaders and Whips Office/Research funding allocations were not considered for any separate increase, given the 12% Members’ Support increase mooted as a by-product of the out-of-Parliament office proposal. As events transpired the office proposal did not proceed for various reasons and, as the suggested increase in allowances was integrally tied into the office proposal, no increase of any description eventuated from the 2004 Review.

In giving due consideration to the appropriations for any further increase in funding assistance, regardless of category, I sought confirmation of the CPI movement between June 1996 and June 2006 – the ten year period the current support formulae have been in existence. The figure I was provided with was 23.1%.

As noted, there had been two adjustments to the original 1996 funding base, both occurring in 2002/03 – being the \$50,000 Leaders’ budget and the 15% increase to Members’ Support allocations.

On this occasion there were many suggestions made to me on what I should consider as an appropriate adjustment to the various categories of support. Many were ambitious to say the least and others, to me, seemed somewhat impractical. It was my belief however that any adjustment considered had to be both equitable and founded on a factual basis.

I have no doubts as to the appropriateness of, or need for, any increase. My concern really is how it would be calculated. Eventually I concluded that a simple approach associated with the level of inflation over the period since the amounts were first established would be an equitable and reasonable approach. Therefore the question

became, how to apportion the inflation increase (which I rounded at 23%), given that some adjustments had already been applied during the period of MMP.

The table which follows on page 79 shows the end result of my collective recommendations which I now record.

### **Recommendations**

a) *Leaders' base allocation*

That the party leaders base sum support amount be increased to \$100,000 from the current \$50,000.

b) *Leaders' per member allocation*

That the current sum of \$57,176 for each non-executive Member of Parliament, as applies to the Leaders' funding be increased to \$64,320.

c) *Whips/Research Unit allocation*

That the amount per Member of Parliament to fund the Whips office, research units and operating costs, be increased to \$22,000 per Member as opposed to the current \$20,000.

d) *Members' Support allocation*

That the Members' Support allocations be increased from \$59,500 per Constituency Member and \$37,000 per List Member to \$64,260 and \$40,932 respectively.

e) *Commencement Date*

That each of the five increases noted above be applicable from 1 July 2007.

The impact of these increases, which range from 100% on the Leaders' base sum to 8% for the Constituent and List Members, are explained on the table on page 79.

Basically I applied the 23% CPI adjustment to the original total sum as provided in 1996. This provided a new total and it was then a matter of allocating this incremental sum across the various categories. It was straightforward in respect of the Constituent and List Members support allocation. They had previously been given 15% so this current adjustment should therefore be 8%.

It was then a matter of apportioning the balance of the total calculated sum across the other categories. I started with the Leaders' base sum and, although mindful of the submissions of the smaller parties, could not find a reason for increasing this beyond \$100,000 per leader category.

There had been suggestions that the research units were now more appropriately staffed and other costs in the Whips' office category had possibly stabilised for now. Accordingly an increase of 10% seemed realistic to cover cost increases over the post-MMP period.

The balance of the sum remaining in this category simply transcribed into a 12.5% increase for each non-executive MP within the Leaders' funding category.



I was also of the opinion that I should not promote a “stretch” relative to interpretation and accordingly I have rounded the quantum increases to fall within the total CPI increase calculation.

In arriving at the above recommendations I stop short of promoting an inflation-adjusted increase on an annual basis. However I am aware that each year there will be ongoing cost increases, associated with inflation, probably increasing workloads and also qualitative improvements. My recommendations are appropriate for today. Future Appropriations Review Committees will deliberate on what is equitable at the time and in the light of evidence and argument presented to them.

## **List and Constituency Members**

The possibility of closing the resource differential between List and Constituency MPs caused me to canvass and consider the numerous views on this topic. No conclusive outcome was apparent although I did sense some sympathy for reducing the differential, and I believe this will become more of an issue as time goes on.

The 2002 Appropriations Review Committee canvassed the issue of List and Constituency MPs and concluded that there was “a case to continue the differential at least in the shorter term, for the reason that the roles are still evolving. ... At some point in the future there may be a case for reducing or even eliminating the differential.”<sup>4</sup>

Submissions I received expressed differing views about the relative roles of List and Constituency MPs. One view is that while List MPs do not have a formal obligation to represent an electorate in a geographical sense, in practice many list MPs in fact do undertake electorate duties not unlike those of the constituency MP. Some would say that for List MPs who set up local offices, there is not a great deal that separates the respective roles of the List and Constituency MP.

There is a contrasting view which is that the roles of List and Constituency MPs are, and should be, quite different. In this view, the representative role of List MPs sits at the national level, with List MPs having interests that relate to ‘communities of interest’, or ‘portfolios of interest’ relating to a sector, area of policy or issue. These roles may well engage List MPs with local communities, for which they would need to acquire local knowledge and contacts to respond to community concerns.

Between the two views is the common ground that both List and Constituency MPs provide points of contact for the public, and have roles in the interface between Parliament and the public. For this reason alone, List MPs are provided with resources to operate local offices.

Information I requested from the Parliamentary Library threw light on the background to the roles of List and Constituency MPs, and how this has been interpreted.

The 1986 Royal Commission on the Electoral System anticipated that list MPs would take on at least some constituency work. In a discussion on effective representation of constituents, the Commission said “We expect, moreover, that many list members

---

<sup>4</sup> Resourcing Parliament, Report of the Review Committee on the First Triennial Review of the Parliamentary Appropriations, October 2002. Section 3.2.4.

## Change in Formula for Party and Members' Support Appropriations

(For explanations of funding categories see page 77)

### A. Current allocations

PARTY	Ldr \$50,000	Ldr per non exec \$57,176	Research per MP \$20,000	Constituent \$59,500	List \$37,900	Total
ACT	50,000	114,352	40,000	59,500	\$37,900	301,752
Green	50,000	285,880	120,000	–	227,400	683,280
Labour	50,000	1,486,576	1,000,000	1,844,500	720,100	5,101,176
Maori	50,000	228,704	80,000	238,000	–	596,704
National	50,000	2,744,448	960,000	1,844,500	644,300	6,243,248
NZ First	50,000	343,056	140,000	–	265,300	798,356
Progressive	50,000	–	20,000	59,500	–	129,500
United	50,000	114,352	60,000	59,500	75,800	359,652
<b>Totals</b>	<b>\$400,000</b>	<b>\$5,317,368</b>	<b>\$2,420,000</b>	<b>\$4,105,500</b>	<b>\$1,970,800</b>	<b>\$14,213,668</b>

### B. Recommended allocations

PARTY	Ldr per Party \$100,000	Ldr per non exec \$64,320	Research per MP \$22,000	Constituent \$64,260	List \$40,932	Total
ACT	\$100,000	\$128,640	\$44,000	\$64,260	\$40,932	377,832
Green	100,000	321,600	132,000	–	245,592	799,192
Labour	100,000	1,672,320	1,100,000	1,992,060	777,708	5,642,088
Maori	100,000	257,280	88,000	257,040	–	702,320
National	100,000	3,087,360	1,056,000	1,992,060	695,844	6,931,264
NZ First	100,000	385,920	154,000	–	286,524	926,444
Progressive	100,000	–	22,000	64,260	–	186,260
United	100,000	128,640	66,000	64,260	81,864	440,764
<b>Totals</b>	<b>\$800,000</b>	<b>\$5,981,760</b>	<b>\$2,662,000</b>	<b>\$4,433,940</b>	<b>\$2,128,464</b>	<b>\$16,006,164</b>
<b>Movement</b>	<b>\$400,000</b>	<b>\$664,392</b>	<b>\$242,000</b>	<b>\$328,440</b>	<b>\$157,664</b>	
	100.0%	12.5%	10.0%	8.0%	8.0%	

will attach themselves to a constituency or group of constituencies, particularly where they have been unsuccessful constituency candidates, and that the parties will require them to provide good constituency service as a prerequisite for continued high placement on the list.”<sup>5</sup>

It is interesting to note that apart from how they are selected, there is no constitutional difference between constituency and list MPs – the Electoral Act, and also Standing Orders, refer only to “members of Parliament”.

A Parliamentary Information Brief, prepared with input from MPs, says “Many list MPs also work to represent local communities, especially in areas where their party has no electorate MP.”<sup>6</sup> List MPs may also operate a local office to provide people with an alternative avenue to the constituency MP for inquiry or assistance.

Other material the Library provided to me highlighted that the differences, or similarities, of list and constituency roles is not a new issue. In media items from 1996 and 1997, one party leader was quoted as saying all that party’s MPs – electorate and list MPs – would have local offices and be regularly available to constituents through electorate clinics and that this “service-oriented approach” would ensure the workloads of electorate and list MPs were similar: “There should be no such thing as a part-time or second-tier MP. All MPs have a responsibility to serve the people.”<sup>7</sup> This was echoed in a speech by another party leader in 2002, in the words “In fact what most of us do is very similar to what constituency or electorate MPs always did. The main differences are matters of degree rather than kind ... being a List MP is a mixture of the old and the new. Most List MPs in most parties are responsible for representing their party in specific electorates. ... I also believe that List MPs taking on constituency work helps to balance the significant increase in the physical size of electorates as a result of chopping their number from 99 to 65 when we adopted MMP.”<sup>8</sup>

To add to my understanding of the roles played by the two categories of MP, I asked a relatively new MP (elected in 2002) to compare them. The response was as follows (paraphrased):

“The very title of our democratic system mixed member [proportional] recognises that Parliament is staffed by two types of members. Different in that they have very different mandates for being in Parliament. The electorate MP has won the specific confidence of local constituents who expect their members to represent their interests first and foremost. Should the local interests clash with [their] party policy, constituents could reasonably expect their MP to put them [local interests] first. Resourcing needs to reflect the need for these MPs to connect with their voting public. ...

List MPs are in Parliament because sufficient voters preferred their party to others’ [parties]. While List MPs should do constituent work, and be resourced to do so, when push comes to shove their loyalty is to the party. This is further backed up by the fact that if a List MP retires before their term is up, there is no need for a by-election as the party is empowered to replace them from the list. ...”

---

5 Report of the Royal Commission on the Electoral System Towards a Better Democracy, December 1986, page 53, para 2.141.

6 What MPs Do, a Parliamentary Service briefing in Decision Maker Guide to Parliament and Government, How Parliament Works.

7 The Press, 26 November 1996, p 7.

8 What on earth do List MPs do? Rod Donald, Green Party Co-Leader. 28 March 2002.

I note that a replacement List MP could come from anywhere in New Zealand, and so may not continue the retired MP's local work; and that resources currently available to List MPs can be used for constituency work if the List MP so wishes, or it can alternatively be used for specific portfolio work.

There is a likelihood that over the coming decade more List MPs may move towards adopting a 'constituency' approach and that this will inevitably lead to pressure to reduce the resource differential. My proposal for adjusting Members' Support allocations does, however, increase provision across these budgets for all MPs (marginally reducing the differential) and hence providing more scope to List MPs to undertake local work if they so choose.

Further comment from a List MP who has previously been a Constituency MP on this subject stated that "the costs of manning and running an office are the same for both List and Constituency MPs."

The adoption of the increases in Member Support Allocations does create a platform for developing a plan to progressively reduce the differential over time.

To this end it would be timely to commission research to establish whether voters experience or perceive any "difference" in the service provided by List and Constituent MPs.

If the general populace see all MPs as performing similar functions (apart from party affiliation) it would suggest a lessening of the argument for retaining a differential.

I have no doubt that this subject will again be on the agenda for discussion with the Fourth Triennial Review Committee.

Accordingly I make the following recommendations.

### **Recommendations**

- a) That market research be carried out with eligible voters to determine their understanding of the functions and service outputs of List and Constituency MPs.
- b) Given that constitutionally there is little to distinguish Constituent and List MPs in terms of roles and activities a plan be developed to progressively reduce the Members' Support differential.

### **Bulk funding**

In arriving at my recommendations on party and Members' support funding, I gave consideration to the merits of re-visiting the use of bulk funding for some aspects of support funding. I was prompted to do so in part by strong indications in some submissions that the time may now be right for such a move, and by the logic of bulk funding in an environment where parties in Parliament, and members themselves, are seeking greater flexibility in the use of resources to fulfil their parliamentary functions. MMP has been a major contributor to this environment through such influences as the greater diversity of representation.

The possibilities for bulk funding of parliamentary parties and MPs, within the parliamentary appropriations, were canvassed by both the 2002 and 2004 reviews.

Bulk funding was investigated in some depth by the 2002 Review, and re-examined by the 2004 Review Committee which noted the fine balance between the pros and cons, summarised as being:

### ***Advantages***

- Flexibility to allocate resources as pressures and demand for different outputs change;
- Removing any incentive to “over-consume” resources that effectively have no price constraint (travel is the main example cited);
- Clear accountability, with MPs being required to manage their own office resources; and
- Enabling MPs to make appropriate trade-offs and prioritise expenditure.

### ***Disadvantages***

- Possible “opaqueness” of financial accountability – it may be difficult for the public to have assurances that funds are spent on appropriate activities;
- The complications of setting the quantum of funds for bulk funding – a critically important question;
- Employment law issues – the need to construct employment arrangements and resolve the question of who should be the employer, which would arise if support staff costs were to be included in bulk funding allocated to MPs and/or parties.<sup>9</sup>

The 2004 committee saw no merit in extending bulk funding, stating that it was not presented with any serious call for bulk funding and noting that parliamentary parties had the ability to aggregate funding, and that MPs and parties already had a degree of discretion over how they deployed their support budgets.

In contrast, the present review has been the occasion of some renewed interest in bulk funding.

There is no doubt increased pressure today on funding the various elements of the parties and their infrastructure including the out-of-Parliament offices. Costs have risen dramatically in many areas since the original basis of funding was established in 1996. Accordingly today it is not unusual for one sector of the party (or unit thereof) to be looking for financial help from another. Whereas today there is quite limited scope to do this, the advent of true bulk funding would provide a degree of flexibility and decision-making not previously contemplated.

However, it would come with the need for certain disciplines to be exercised in a specific manner. Accountability, measurement, transparency, governance and audit would be characteristics needing complete embracing. Management of the “bulk funds” would also be a specific task. When and how the funds were deployed would need careful consideration. Not all parties would necessarily have the same wants in this regard. Could funding be husbanded, credit balances established and interest earned on funds? Who would be the owner of such interest earned? There are many budget and management issues that arise, for example, what if a party uses all its funds before the period covered has expired?

---

<sup>9</sup> 2004 Report, page 54.

The recommendations I have made for increases in party and Members' Support allocations should hopefully remove at least some financial pressure as of today.

Following on from here, it would appear that the next 12 months would be the most logical time to consider, in depth, the overall merits or otherwise of bulk funding. Should a favourable case be established then either the 2008 or 2009 budget years could be the time of introduction.

One point I would make, however, is that I am not totally convinced that the full and detailed ramifications of bulk funding are indeed appreciated and understood by all participants. As it is not a prime task of this review to provide such awareness, I make the following recommendation.

### **Recommendations**

- a) That an external organisation with financial management expertise and analytical skills be employed to determine the detail of the mechanisms and support systems that would be required, along with the associated costs, to introduce bulk funding as a primary tool for supporting all political parties and Members thereof.
- b) Given that the subject of Bulk Funding has been raised in each successive Appropriations Review, this work be completed well before the advent of the Fourth Triennial Review.

### **Communication – Printing and Stationery**

The 2004 Review Committee said the following about MPs' printing and stationery costs, at page 36. I reproduce it in full.

*“The Committee’s attention was brought to an anomaly in the way MPs’ printing and stationery costs fall.*

*The appropriation item MPs’ Communications incurs the costs of stationery used within Parliament. This includes paper, envelopes and printer toner. In addition to these costs, the depreciation on the printers is charged to the Parliamentary Service departmental Output Class – Parliamentary Information Services.*

*Currently MPs have various methods of producing a mail-out/newsletter. They may:*

- *Produce it on a photocopier – all the costs are charged to their support budgets.*
- *Have it commercially printed – again, all the costs are charged to their support budgets.*
- *Print it on their office laser printers using stationery supplied in Parliament – none of the costs are charged to their support budgets.*

*The committee believes the anomaly resulting from the user of laser printers and (non-budgeted) stationery in Parliament, needs to be addressed.*

*We were advised that current technologies allow printer activity and stationery consumption to be recorded for charging purposes. We therefore propose that*

*these costs be directly charged to each Members' or Leaders' Office support budgets, as determined by the level of costs typically incurred under the present system.*

*We recommend that:*

- (a) Stationery and printing costs in Parliament be directly charged to each Members' or Leaders' Office support budget as determined by use.*
- (b) Appropriate funding transfers be made from the Members' Communication allocation to Members' Support."*

The problems alluded to in the above were again discussed with me albeit various points of view were offered.

The interesting point however is that no-one suggested the above anomaly did not exist; nor was there any great defence mounted to suggest the system was not exploited from time to time.

In summary this is a problem well highlighted in the past; it is a continuing problem and it needs to be corrected.

My recommendation that follows is therefore made with the simple expectation that on this occasion, it will be acted on.

### **Recommendation**

- a) That the Office of the Speaker direct the Parliamentary Service to introduce a system wherein those costs associated with printing and stationery within the MPs' Communications Appropriations be disaggregated and be reallocated on a direct user-pays basis.

### **The Members' Handbook of Services**

The Parliamentary Service provides to members of Parliament a handbook containing information about their entitlements to services and their responsibilities in obtaining and using those services. The *Members' Handbook of Services* represents the decisions of the Parliamentary Service (pre-2000) and of the Speaker on the advice of the Parliamentary Service Commission (post-2000) and is relied upon by members and staff alike for guidance on matters ranging from funding arrangements to photocopying, travel, communications, remuneration and staff and systems support. It also includes sections on advertising and election expenses.

While the handbook is a very valuable source of information, there is some uncertainty over its status in terms of the Parliamentary Service Act 2000. In the past, an inconsistent process for issuing Speaker Directions has caused some confusion as to MPs' various entitlements. This inconsistency has caused some doubt to be applied to the validity of the handbook which previously has been used as an authoritative guide.

Without doubt it would be beneficial to all, to have the status of the Members' Handbook confirmed. I note the intention to dispense with the Members' Handbook of Services in its current form, with all content being covered in comprehensive directions that are nearing finalisation.

## **Recommendation**

- a) That the replacement of the Members' Handbook of Services with comprehensive directions, be expedited.

## **Other allowances**

### ***Mileage allowance***

A per kilometre allowance is paid to reimburse MPs for travel using their private vehicle, providing this is directly related to their Parliamentary duties and responsibilities.

Payment is made via a vehicle logbook claim and reimbursement is on a sliding scale relative to the kilometres travelled per annum. As the usage increases the reimbursement rate decreases, determined by a pre-set scale. The actual reimbursement rate is based on the Automobile Association motor vehicle running cost model.

It would be fair to say that there is considerable concern as to the equity of the applicable rates; whether indeed a vehicle should be supplied to each MP; whether vehicles could be leased; could single allowances be struck regardless of distance travelled – and the like.

The present scheme of reimbursement started in August 2003 and so has now been in operation some three years.

In reviewing the current basis of reimbursement and administration of this allowance, I could not determine any further basis to recommend any increase over or above the current Automobile Association reimbursement rates. Nor do I see any logic in looking to change the system, for instance, to one whereby leased vehicles are utilised. When the overall and total costs of leasing are considered, it is a marginal call as to whether indeed there is benefit in leasing as compared to the current reimbursement basis.

Some discussion ensued on the reimbursement rate for larger vehicles in excess of 2000cc engine size. Although there are obviously many models in this category the AA takes into account in excess of 60 larger models in setting the plus 2000cc rate.

It would in my opinion be difficult to justify reimbursement rates different to the AA schedule.

However there does remain some confusion relative to the actual rates of reimbursement, hence the following recommendations.

I also had the subject of the mileage logbook raised with me relative to the frustration of having to record every reimbursable journey, whether long or short.

As there is always going to be a certain quantum of mileage travelled by any MP, in the course of their parliamentary work, it would make sense to provide for an annual "logbook free" allowance. I recommend accordingly.



## **Recommendations**

- a) That the Parliamentary Service re-advise all participants of the reimbursement rates applicable to their particular motor vehicle with the objective of ensuring that the correct rates are indeed being accessed by all.
- b) That a “logbook free” reimbursable mileage allowance of 5,000km per annum be introduced.

### ***Wellington accommodation allowance***

As the heading suggests there is an accommodation allowance for each Member of Parliament relative to attendance at Parliament and responsibilities in Wellington. The House sits in excess of 30 weeks each year. MPs are obviously expected to be in Wellington during these weeks and also at numerous other times throughout the year.

An allowance is made available to all MPs (Ministers have separate accommodation) to cover the cost of their accommodation in Wellington. The current allowances provide for an amount of \$20,000 for Members and \$22,000 for Party Leaders and Whips.

Strong representations were made by “out of Wellington” MPs as to the level of this allowance. All expressed concern that it was no longer an appropriate sum even though it can be used in a rental reimbursement mode as well as in a direct purchase mode, such as for an hotel account.

After considering current market rental prices for flats, apartments and the like I concluded that the market movements over the last few years have been such that an increase to this allowance was indeed warranted.

The present allowance was established in late 2003 and is now out of kilter with current central Wellington accommodation rates. Accordingly I make the following recommendation. My recommendation envisages a single higher rate which would be the same for all MPs including Party Leaders and Whips.

### **Recommendation**

- a) That the Wellington accommodation allowance be increased to provide a total sum of up to \$24,000 per annum.

### ***Transfer of surplus hours***

This point was raised with me relative to the prospect of “transferring surplus hours for out-of-Parliament staff to a monetary equivalent”, to be available for other uses by Members.

If indeed a situation arose wherein a member ended up with unused office hours, the question was whether those hours could be collated at the party level for other use or for example, used to pay out-of-Parliament staff a bonus for extra achievement.

I see a number of problems arising from such a proposition.

All out-of-Parliament office staff are employed by the Parliamentary Service although they work directly for the member of Parliament concerned.

A more logical approach may well be, if there is a consistent surplus occurring, to reset the number of hours made available to MPs, retain the amount of funding associated with allocated hours and allowing the salaries for these positions to be increased.

I do not otherwise see how an equitable solution for all staff could be introduced in respect of using any surplus hours monetary equivalent to pay bonuses – or for that matter to offset any other costs.

## **PART EIGHT: THE OUT-OF-PARLIAMENT OFFICES**

---

Within the section “Principles for Resourcing Parliament” (page 19), three of the 10 principles specifically and directly relate to the MPs themselves, and in turn to their out-of-Parliament offices. The three principles I refer to are:

- Principle e) Support MPs to do a more effective job and to work more efficiently.
- Principle f) Recognise the fundamental importance of information to a modern Parliament and of communication between Parliament and the public, including communication between MPs and their constituencies and communities.
- Principle h) Assist Parliament and MPs in building greater awareness and respect for the work of the Parliament and the MPs.

The role of the staff within these offices, the offices as such and the efforts of the MPs themselves, all come together within this broad subject – a subject on which I have a number of concerns. These concerns are discussed below. It would be fair to say that some could be seen as important to “fix”. Others may well appear to be inconsequential. However, collectively they underline to me the need for a much greater appreciation to be exhibited by all in respect of these offices and the role that they fulfil.

When all is said and done, to the majority of New Zealanders these offices are their prime (and in most cases) only contact with Parliament.

I draw my conclusions also from visits made to 10 out-of-Parliament offices in the course of my review, some being repeat visits to those visited in the 2004 review and some first-time visits. The full list of visits is shown in Appendix 7.

### **Terminology**

The acronym “OOPs”, which is the abbreviated term used by most to describe these offices, is to me somewhat demeaning. A new description needs to be identified and adopted.

### **Recommendation**

- a) That the Parliamentary Service consult with all MPs through a simple survey to confirm a new term for MPs’ local offices. As a suggestion, could they not simply be termed Local Parliamentary Offices and the staff be termed Local Parliamentary Office staff.

The official job titles for the staff within these offices, also in my opinion need updating. Very few could explain to me who or what was an “electorate agent” (the person in charge of office management and administration and constituent support) or an “issues assistant” (the second person in the office who generally handles specific projects). These people are the frontline staff for the MP’s office and providing the prime contact with the public.

## **Recommendation**

- b) That consideration be given to new titles being adopted to replace the terms “electorate agent” and “issues assistant”.

The local electorate offices are small business units in their own right. Could the staff be titled “Business Manager” (Electorate Agent) and “Project Officer” (Issues Assistant) respectively.

## **Out-of-Parliament office’s image**

I cannot but revisit the 2004 Review in respect of the image presented by the out-of-Parliament offices. The 2004 Review listed as a key issue:

“The variable standard for out-of-Parliament offices as places of employment.”

To my mind this is still a valid issue. The business of Parliament impacts in various ways on the life of all New Zealanders. To many of us these offices are our front line contact with Parliament.

A corporate entity with any pride in its “brand” would simply not countenance, in many instances, the out-of-Parliament premises used by some MPs and in effect as the “shop window for Parliament”. Some offices are what I would describe as “passable”, but many to me are below a satisfactory standard.

Considerable commentary was made on this subject in the 2004 Review and, as there has been little if any improvement, I see no merit in further repetition on this point. It is disappointing that there is not more interest in improving the way these offices are presented.

I do however make the following recommendations.

## **Recommendations**

That:

- a) A sincere and genuine reappraisal be made of the current image projected by the majority of MPs’ out-of-Parliament offices and a decision be taken to confirm an image standard that reflects pride in our system of democracy and the institution of Parliament.
- b) This standard be circulated to all MPs and parties along with a process to support its use.

To this end may I suggest, by way of example, a standard not dissimilar to that presented by the various trading banks at their branches throughout the country. Some thought could also be given to drawing on the experiences of other government agencies in setting office standards on a national basis.

That said, it may well be difficult to impose a common standard on out-of-Parliament offices under the present system whereby offices are chosen and rented individually by the MPs themselves. It can probably only be achieved under a system similar to that found in Australia where the “out-of-Parliament offices” are leased by the Parliamentary agency, thus enabling consistent standards to be achieved across all

offices. This system was, in effect, that recommended by the 2004 Appropriations Review. The mechanism for assisting such a system to work in practice is shown in Appendix 8 of my report, copied from the 2004 Review.

### **Out-of-Parliament office's specifications**

Following the 2004 Review the Parliamentary Service published (June 2005) "Specification Guidelines for Out-of-Parliament offices". This is an excellent publication of some 43 pages and provides considerable detail on all aspects of how such an office may be laid out, equipped, maintained, secured etc. It provides pertinent advice across all aspects of consideration relative to such an office.

My particular concern here, however, is that although providing a magnificent set of "Specification Guidelines" there is no necessity to follow or abide by these.

Before an office lease is agreed to by the Parliamentary Service the premises must have certain basic requirements such as hot and cold water, a front and back door and an inside toilet. Providing such criteria are met, the Parliamentary Service may also assist with limited funding on health and safety items and some elements of security. The MP concerned is expected to fund all other aspects from his or her Members' Support budget.

Offices have funding assistance via some input by the Parliamentary Service (from Departmental expenditure) and some from the MP's operating budget (Members Support allocation), and potentially via improvements made by the landlord.

If support budgets are stretched, it is easy to see why these out-of-Parliament offices often end up providing far from acceptable specifications and, in many instances, inferior working conditions for staff.

Continuation of this situation often allows for non-compliant issues to remain unattended to for far too long – especially in relation to security, for instance.

I do not see an easy answer in respect of the establishment of appropriate but mandatory standards for such offices – as opposed to the ongoing practice of the Parliamentary Service providing guidelines which do not have to be followed, and often are not.

I therefore recommend as follows.

### **Recommendations**

- a) That a conscious decision be taken as to an appropriate benchmark standard for the overall quality of out-of-Parliament offices.
- b) That there also be a conscious decision made to "close the gap" as to the standard and quality of office as provided within the Wellington Parliamentary campus and the standard and quality of out-of-Parliament offices.
- c) A process be established whereby any non-compliant aspect of an office, once identified, be subject to an agreed plan of action, such plan to have formal agreement confirmed within a period of 28 days.

## Staff training

Training is a further subject that figured prominently in the 2004 Review. The 2004 Review was quite critical of endeavours in this regard and listed as a major issue “variable access for out-of-Parliament staff to training and development opportunities”.

Unfortunately not a lot appears to have changed.

The October 2006 Parliamentary Service Newsletter to staff states “The Parliamentary Service said it would develop a training framework for executive assistants and out-of-Parliament staff. This framework is intended to ensure that all staff in these roles can access the right training/development options to assist them do their jobs better and give them wider development. A project to do this is starting November. ....”

Although this initiative in developing a capability framework is most commendable, and is a positive initiative by the new Group Manager Member Support and Human Resource, one has to query why such a basic management assistance programme has not been there from the very beginning, at least since the advent of the Parliamentary Service Act 2000.

A basic understanding of the broad roles of all (some 650) persons employed by the Parliamentary Service should, one would think, be a prerequisite for underpinning customer satisfaction in all respects. The fact that for instance today, there still remains confusion as to holiday entitlements and coverage for staff taking holidays underlines the fact that there is still a considerable task ahead.

Further compounding the situation is that not all local electorate offices have the same subjects being of current concern to the constituents who visit. Nor is the work intensity consistent throughout the offices or throughout the country. For this reason training needs to be tailored to suit local needs at the time.

Certain issues are common to most out-of-Parliament offices, however. Two in particular are that of:

- Help desk support and repairs to ICT equipment. I am advised that the Parliamentary Service is looking at options to assist with these, allowing for the fact that the budgets for these expenses sit with MPs but that the Service has a responsibility to provide all employees with the tools they need to do their jobs properly and efficiently.
- Support for the setting up of offices, particularly for new MPs following a general election. There is a case for more support from the Parliamentary Service, covering setting up office systems including finance and budget processes.

I do not see it as my role to note, line by line, the complaints and frustrations as reported to me by most of those who provided submissions.

I am however encouraged relative to training requirements by further quoting from the above October 2006 newsletter which goes on to comment “We are only in the very early stages of gathering information about the jobs that you do and the skills and knowledge needed to do them really well”. Further comment is made relative to

this project moving to the point when “the new training framework can be rolled out to everyone”.

In this regard I provide the following recommendations.

### **Recommendations**

- a) That the development and introduction of the training framework, as alluded to in the Parliamentary Service October 2006 Newsletter, be completed as a priority and that it be recognised that there is a major task ahead in establishing an ongoing programme that is consistent with normal practice of today.
- b) In this regard I see no reason why all employees of the Parliamentary Service should not enjoy the same opportunity afforded most others in the workplace today, and at least the same opportunities as their colleagues working on the parliamentary campus.

Having made these recommendations I do note that funding, since the 2005/06 Financial Year, is now available to address numerous concerns in this area – and action is being taken.

### **Large electorates and Māori electorates**

There are a number of very large electorates, and in particular the Māori electorates, that encompass vast areas.

Te Tai Tonga, encompassing the whole of the South Island plus Wellington environs, is by far the largest being some 147,000 sq km. The other six Māori electorates average 21,600 sq km. If Tamaki Makarau is removed from the equation (921 sq km) the average moves to 25,700 sq km. These are vast areas to cover in every respect.

It needs to be noted here that the areas given are the land areas whereas the official electorate boundaries also include sea areas encompassing offshore islands.

In considering the ramifications of such large electorates I cannot help but wonder at the logistical problems associated with “getting around” and meeting the people. Dependent on where one resided it might be relatively straightforward to visit some nearby locations but other distant locations can provide very real transport problems.

For Māori MPs, having arrived is not necessarily the start of the return. Protocols relative to customs and practices concerning whānau, marae, hapu and iwi dynamics can cause visits to require greatly increased time inputs as compared to what might be the case in a non-Māori constituency. There are many challenges facing Māori MPs as they relate to the needs and concerns of their people.

I again relate back to one of the Principles Adopted for Resourcing Parliament and note within (f) (page 19) the principle “Recognise the fundamental importance of information to a modern Parliament and of communication between Parliament and the public, including communication between MPs and their constituencies and communities.”

In this regard I believe there is inequity in respect of the support Parliament offers the very large electorates compared to the smaller. I note two examples for comparison

purposes only: Te Tai Tonga at 147,000 sq km, as against Epsom at 22 sq km or Hutt South at 304 sq km.

I well accept that Te Tai Tonga is exceptional in an area sense<sup>10</sup> but obviously it is far, far easier to connect with constituents in a 300 sq km electorate than say one of 21,600 sq km – the average size of the other six Māori electorates.

Accordingly I believe it appropriate that more support be afforded all seven Māori electorates and the four general electorates in excess of 20,000 sq km in area.

In this regard 'support' may consist of time, transport, office assistance or other. In considering a first step as a way of assisting the MP within a very large territorial electorate, I make the following recommendation.

### **Recommendation**

- a) That all Māori constituent Members of Parliament and each constituency Member of Parliament with an electorate in excess of 20,000 sq km in area, be entitled to the services of an extra staff member to equate to three full-time equivalent out-of-Parliament support staff members.

### **A Freephone Service**

This is a subject that has again been raised, having been promoted at both the 2002 and 2004 reviews. The 2002 review committee originally recommended "That a freephone service be trialled for electorate MPs in the larger electorates, defined at the time as Group F and Group G in the classification of Electoral Districts."

The 2004 review followed with a modified recommendation that "A freephone service be introduced for electorate MPs in electorates where there are two or more tolling areas within the electorate, accompanied by appropriate provisions to ensure its proper use."

Neither recommendation has been acted upon to date, financial considerations being the main reason quoted.

I remain of the opinion that constituents should be able to telephone their local electorate MP without facing the deterrent of a toll call. However I do accept that without some basis of pre-estimating the cost of such a service it is possibly unreasonable to expect it to just be introduced, with the hope that it does not prove to be overly expensive. I do remain of the belief however that it should still be trialled and therefore make the following recommendation.

### **Recommendation**

- a) That a freephone service be trialled for a 12 month period in two large rural electorates one being in the North Island, the other in the South Island.

---

<sup>10</sup> In discussion on this topic a suggestion was also made that the time may be approaching when the Electoral Commission might consider the case for this electorate to be divided into two.



## **Hub offices**

The advent of 'hub offices' is interesting to note. There are a number now in Auckland and a further one is forming in Tauranga – and there are others. The concept is basically that a small team of (generally three) MPs band together to share facilities, which provides a number of benefits to all. Coverage relative to issues is assisted, as is the ability to provide more face-to-face contact with the public across a greater geographic area or region. Obviously there are also advantages related to cost sharing.

However one downside to the hub concept is that representation is consolidated at one centre, whereas it may well have been spread wider geographically, if not using the hub approach. This is obviously a moot point, but a point none the less given that the hub concept is primarily being utilised by List MPs.

A further variation occurs when two MPs band together and create shared facilities at more than one location – not a centralised hub as such, but still an effective way of providing more direct representation.

Within the same context (offices) the 2004 Review did comment on a possible increase in the number of mobile offices. I am advised that no particular increase has occurred and this was not a subject of any real interest in this Review.

I have no particular recommendation to make on the above.

## **Office rental costs**

The significant increase in property values experienced over the last few years is obviously having a flow-on effect to office rentals. Numerous submissions highlighted the differential, by and large, between rural office rentals, provincial towns and cities, urban areas and CBD sites in the major cities. This is a subject that was also highlighted in the 2004 study. The recommendation promoted at that time was that all out-of-Parliament offices would be directly leased by the Parliamentary Service. Considerable detail was provided to support this recommendation but it did not gain any real traction even though it included an increase in Members' Support benefits, as the office rental was no longer to have been netted off from the Member's funding allocation. (For reference, Appendix 8 shows the mechanism recommended in the 2004 Review for administering out-of-Parliament offices.)

Although having some sympathy with the situation whereby no differentiation is made relative to rental of an office in a major CBD as compared to a suburb or provincial town, the very fact that there are no "mandatory image standards" for these offices causes me concern relative to addressing the potential location inequity of the premise rental.

I see little scope for addressing this problem without the adoption of such standards as noted in the previous Recommendation on this subject.

The variations are difficult to quantify in a real sense as the more expensive the location area is, the more likely the office is to be located on the outskirts or in a secondary position. Accordingly image again often suffers.

## **Recommendations**

- a) That the Parliamentary Service Commission notes that office rentals for out-of-Parliament offices do vary significantly dependent on geographic location and siting therein.
- b) That a modal office standard be agreed against which significant geographic rental variations can be measured. This standard could then be used to establish the need for supplementary rental assistance if clearly identified.

My recommendation that Members' Support budgets on this occasion be inflation adjusted should go some way to offsetting recent rental increases.

## **Links between Out-of-Parliament offices and Parliamentary Service**

One overriding concern that was commented on both from within the parliamentary campus and from outside was the need for improvement in the connectivity of the out-of-Parliament offices and Parliament itself.

The awareness of Parliament by the majority of staff at the out-of-Parliament offices (some 152 offices) is not particularly high and in some cases it is dismal. This fact is well recognised by the Parliamentary Service and endeavours are being made to improve the situation.

More direct contact with these offices is now being made by the Parliamentary Service but there is a considerable task list to attend to.

More often than not, the staff at the MP's office in Parliament have never met his/her out-of-Parliament office staff, have never visited their offices (and vice-versa) and generally act in isolation of each other. Whilst this may be admirable in a cost control sense (no visits = no costs), one wonders as to what improvements and efficiencies might be gained across a wide front if there was greater awareness by all of the respective roles each play in the representation role of Parliament and MPs.

Regardless, there is a need for greater contact to be established and maintained by the Parliamentary Service and staff with staff in the out-of-Parliament offices.

To effect more improvement in this overall area, there is a need for dialogue between the Parliamentary Service and members of Parliament and perhaps proposals to go to the Speaker and be considered by the Parliamentary Service Commission.

## **Recommendations**

- a) That the induction programme for out-of-Parliament office staff include an overnight visit to Parliament, and at a time when the House is sitting.
- b) That the Parliamentary Service provide, for publication within their annual Statement of Intent, a measurable programme, able to confirm improved contact with all staff.

## **Other Out-of-Parliament office issues**

I have not specifically commented on numerous points of frustration as expressed by submitters across a wide range of topics.

In many instances a simple common sense approach would remove a lot of these “niggles”. Included within this broad category, and in no particular order of concern, are:

- (a) Rental cars: The process of hireage and sign-off for MPs could be significantly improved.
- (b) Members’ budgets and accounts: The Parliamentary Service provides an accounting system for the MP’s “business unit”. Dialogue on this system as to when and what is provided and why would prove beneficial to all.
- (c) Signage: If an electorate is changed in name or size, rendering existing signage redundant, signs should not have to be replaced from within Members’ Support budgets.
- (d) Access to ICT: Certain parties and MPs, from time to time, use volunteers to assist them. There remains a point of contention as to whether such persons can access the Parliamentary Campus IT system noting that when they do, they incur additional costs for software, licenses, hardware, desk space, consumables (paper, phones, phone calls) etc.

It must be possible to establish effective criteria for such access, even if for relatively short periods of time coupled with renewable access if needed.

- (e) Office security: Security audits of out-of-Parliament offices have identified shortfalls in many of the offices. Although staff safety is important, the solutions recommended are not always practical when the whole point of having out-of-Parliament offices is to provide the public with access to the services of their MP. Staff do not feel it is appropriate to signal to visitors that they may be unwelcome. Security arrangements, while necessary, should be adapted to the particular office situation and I understand this is now the case.

## **General**

One tool that I do believe would prove useful in the future would be for each out-of-Parliament office to keep a simple logbook recording broad details of the interactions with members of the public and subjects thereof – whether by personal visit or by telephone, email, etc. With such records collated on a regular basis better awareness would result relative to topics of concern, training for staff etc. providing for a much more proactive approach to “problem solving” being able to be taken.

It is not anticipated that such recordkeeping would become an onerous task.

In no way should such a logbook be construed as a person’s work record or the like. It would be completed for information purposes only and would not need specific details of the visitor or the contact; general details only would be recorded.

## **Recommendation**

- a) That a simple logbook type record be kept of all visitors and contacts with and to, out-of-Parliament offices relative to reason of visit, assistance able to be given, assistance that might have been given if available etc. and that the information gathered here be utilised on a national basis to provide better customer relationships through more targeted training and the like.

## **PART NINE: LEGISLATIVE, ADMINISTRATIVE AND FISCAL IMPLICATIONS**

---

### **General Observations**

Within this section in the 2004 Review an attempt was made to summarise the main fiscal and administration implications of the recommendations made.

On this occasion it is a much more difficult exercise as the recommendations cover a very wide range of activity.

### **Legislative implications**

The proposals in my report that would entail legislative change are primarily those concerning the Parliamentary Service. In particular, I note the following recommendations that could require changes to the Parliamentary Service Act 2000 and, potentially, to related legislation:

- A change in the titles of either the Parliamentary Service or the Parliamentary Service Commission
- Extending the role of the Parliamentary Corporation to encompass the activities of the Parliamentary Service
- Providing for an Advisory Board to advise the Parliamentary Service (or Corporation), Speaker and Parliamentary Service Commission
- Upgrading the position of the General Manager of the Parliamentary Service to Chief Executive of the Parliamentary Service (or Corporation).

It may be that the Act would also need to be changed to allow the Parliamentary Service (or Corporation) to provide centralised services to other agencies operating within the parliamentary campus, as I propose in recommendations 6.1(a) and 6.3(a). The Act currently empowers the Service to “provide administrative and support services to the House of Representatives and to members of Parliament ...” (section 7(a)). Two of the other agencies – the Department of Prime Minister and Cabinet and Executive Government Support (Department of Internal Affairs) - are associated with executive government.

I understand that a more general review of the Parliamentary Service Act may be due. Consideration would need to be given to timing the implementation of my recommendations in relation to the timing of any such general review.

Amending the Parliamentary Service Act will require consideration to be given to the implications for the Public Finance Act 1989 and the provisions in that Act that deem the Parliamentary Service to be a department and part of the Crown.

Regarding the transfer of security to the New Zealand Aviation Security Service, I note that the legislation governing the Civil Aviation Authority already provides for the Authority to “co-operate with, or provide advice and assistance to, any government agency or local government agency when requested to do so by the minister ...” (Civil Aviation Act 1990, section 72 b (2i)). The statutory functions of the Aviation Security Service itself (section 80 of the Act) are specific to aviation. The Act may require amendment to give a specific mandate for providing security services to Parliament.

## **Administrative implications**

The administrative implications arising from my report fall into four categories. These are:

- First, my proposals for improving the management of the parliamentary appropriations – in particular, recommendations relating to compliance with the Parliamentary Service Act, performance evaluation and enhancing roles and relationships as between the Parliamentary Service, Speaker and Parliamentary Service Commission, including the establishment of an Advisory Board.
- Second, the need for a stronger customer focus and culture in the Parliamentary Service.
- Third, attention to staffing matters in the Parliamentary Service and Office of the Clerk.
- Fourth, changes to the way key services are delivered on the parliamentary campus – notably security, ICT, business continuity planning and longer term planning for the future development of the campus.

The changes recommended in service delivery require additional, or new, capability within the Parliamentary Service (for delivering common services to other agencies on the campus, for leading ICT developments and for future campus development) and also within the Aviation Security Service in relation to security, and the Department of the Prime Minister and Cabinet in relation to coordinating business continuity planning.

## **Fiscal implications**

I did spend some time endeavouring to categorise the expenditure associated with my recommendations but I was unable to arrive at any figures that I felt could be overall discussed with any degree of confidence.

Obviously the most significant cost identified as of now is that associated with the recommended increased allocations in Party and Member Support appropriations.

Given that these are mathematical extensions to an existing base I was well able to calculate this quantum with the overall figure being some \$1.79m.

In respect of the other recommendations however I have placed alongside each, my interpretation as to whether these are, broadly, Expenditure Neutral (EN) or Expenditure Required (ER). Much of what I am promulgating within these recommendations is, in many instances, staff costs or the like, and I categorise these as being within the Expenditure Neutral category, although some cost may be incurred. This may be premature judgement but at least this simple system does allow for some consideration of the fiscal ramifications on what is recommended herein.

I do appreciate however that such a system does not necessarily help with respect of budget deliberations for fiscal 2007/08, already under discussion. I therefore provide a further recommendation which is designed to assist in the budgeting process for the year ahead and prior to noting this, advise that the details of the EN and ER split are as follows.

Expenditure Neutral = EN = 32

Expenditure Required = ER = 36

In discussion with the Parliamentary Service it has been promulgated that the achievement of all of the recommendations within this Review may well have a cost impact of around “\$20m plus” dependant on interpretation.

Therefore, the recommendation that follows could possibly be perceived as somewhat misleading in the short term. In reality however the ability to carry out or implement the total list of recommendations is going to take some time, possibly running into years.

Agreeing the best way forward with regard to the “ownership” and image standards of the out-of-Parliament offices as an example, could well be a protracted exercise.

There are however many improvements that could be introduced in the short term and it is for this reason that I have nominated a sum which is in the order of 10% of what may be perceived by some as the “\$20m+ total implementation cost” of this Review.

### **Recommendation**

- a) That over and above the sum nominated to provide for the increased allocations for Member and Party Support – a further sum of \$2.0m be budgeted (50% as expense and 50% as capital expenditure) for the 2007/08 financial year. This sum to be only and directly associated with expenditure on the recommendations noted in Appendix 10. These funds would be included within Vote: Parliamentary Service.

It should also be noted that some of the anticipated expenditure provided within the overall recommendations, includes some carry-over from recommendations made in 2004 and not as yet activated. Again it is difficult to quantify this figure.

Unfortunately given what I believe needs to be done, there is always going to be an element of playing “catch-up.”

## **PART TEN: CONCLUDING REMARKS**

---

There is no doubt that this Review has been undertaken at a time of considerable uncertainty.

An environment wherein a high degree of frustration and concern is being experienced by most is prevalent throughout the campus. This is particularly so within the confines of the Speaker's office, the Parliamentary Service Commission and the Parliamentary Service. It could also be suggested that this frustration extends across all the political parties as well, as they adjust to the reality of new rules relative to a wide range of expenditure items.

The reasons for this state of affairs occurring are many and varied, not the least however being the Controller and Auditor-General's October 2006 report on advertising expenditure in the run-up to the last election.

There is no doubt that the confidence levels of many within the Parliamentary Service – and many on the parliamentary campus that directly interface with the Parliamentary Service – have of late been bruised somewhat.

I have a certain sympathy for the staff employed within the Parliamentary Service who must in many cases be wondering what the future holds for them.

Numerous work projects however are now in train to effect improvements, with inputs from both internal and external sources being applied.

I do mention within this report that although there are considerable problems to address, the situation is not out of control, the functions of Parliament continue in a robust manner – but undoubtedly within the management and administration services that support parliament there is a need for change.

In addressing this change and moving forward, I have not looked to find specific fault with, or apportion blame to, any parts of the administrative, functional or operational aspects of the system. There has been great change experienced over the past "MMP decade". One could however conclude that "management" in its various shapes and guises, at both political and administrative levels, has been rather slow to recognise and adapt to the need for change.

I have made numerous recommendations within my review. Improvements will not flow from the continuation of current practices and procedures. The adoption of certain recommendations could proceed immediately and with little if any cost impact. Others will require greater consideration and planning prior to implementation.

I have not been able to quantify the overall level of funding to achieve all of the recommendations made. A process of priority will need to be applied.

However I do sincerely believe that the most impact for improvement would come from the immediate establishment of an advisory board to a restructured Parliamentary Corporation, with it (the Parliamentary Corporation) taking over the duties and responsibilities of the Parliamentary Service. There is a general desire across all players to see immediate improvement and this change would certainly assist, not only long-term, but also in the short-term.

Making use of an existing entity is not only logical, it provides a practical solution relative to improved governance and management performance.

There is a definite need to adopt and apply principles that are generally more associated with the management of a commercial entity, than the administration of an organisation supporting the function of Parliament.

The provision of an appropriate structure and the application of more direct management and governance inputs, will undoubtedly prove beneficial to all.

A combination of factors and the continued use of practices which lack normal governance “checks and balances” has led to the present predicament of an inferior system of administration, which all simply agree needs changing for the better.

To enact this change, an enormous amount of goodwill will be required. On a campus wherein competition reigns supreme, the question will be, can a new culture be formed which allows the enactment of the necessary change to occur.

I have no doubt that the 68 recommendations I make within this review, if implemented, will definitely advance the efficiency and effectiveness of our parliamentary system. All are designed to basically improve the level of resource and support for both the Members of Parliament and the political Parties which they represent.

I believe the recommendations made within this report fulfil the intent of the Triennial Review process as set out in the Parliamentary Service Act 2000.





**APPENDICES**

## Appendix 1: Terms Of Reference

### TERMS OF REFERENCE FOR COMMITTEE TO REVIEW PARLIAMENTARY APPROPRIATIONS

#### Parliamentary Service Act 2000, Sections 20-22

#### Review committee

##### **20** *Establishment of Committee to Review Appropriations*

- (1) The Speaker may from time to time, and must at least once during the term of each Parliament, establish a review committee of up to 3 persons to review the amounts of money appropriated by Parliament for the following purposes:
  - (a) Administrative and support services provided to the House of Representatives and to members of Parliament; and
  - (b) Funding entitlements for parliamentary purposes.
- (2) No person appointed to the review committee may be a Member of Parliament or an officer or employee of the Parliamentary Service.
- (3) Before appointing a person to the review committee, the Speaker must:
  - (a) consult with the Parliamentary Service Commission about the proposed appointment; and
  - (b) Take into account any relevant recommendation made by the Commission under section 14(1)(c).
- (4) The Speaker may appoint persons to the review committee on any terms and conditions, including terms and conditions as to remuneration and travelling allowances, that the Speaker considers appropriate.

##### **21** *Work of Review Committee*

- (1) In carrying out its work, the review committee must consider each of the following matters:
  - (a) The nature, quantity, and quality of administrative services and support services required for the effective operation of the House of Representatives.
  - (b) The nature, quantity, and quality of administrative services and support services that members of Parliament require for the effective performance of their functions.
  - (c) The funding that recognised parties and members of Parliament require for the effective performance of their respective functions.
  - (d) The scope for efficiency gains in the delivery of administrative services and support services to the House of Representatives and to members of Parliament.
  - (e) Investments that may be necessary or desirable in order to further the aims of high quality representation by members of Parliament and high quality legislation.

- (f) The need for fiscal responsibility.
- (2) The review committee may, subject to any written direction by the Speaker, regulate its own procedure.

## **22 Report by Committee**

- (1) The review committee must:
  - (a) Set out in a report the details of its review and the conclusions reached and recommendations formulated as a result of the review; and
  - (b) Submit the report to the Speaker within 3 months after the date on which the review committee is established, or within any further time the Speaker allows.
- (2) Before submitting its report to the Speaker, the review committee must consult with the Parliamentary Service Commission by seeking:
  - (a) The views of the Commission on the matters to be included in the review committee's report; and
  - (b) The comments of the Commission on any preliminary assessments or recommendations that the review committee proposes to include in the report.
- (3) The Speaker must present the report to the House of Representatives not later than 6 sitting days after the date on which the review committee submits its report to the Speaker.

## Appendix 2: Media Release – Appropriations Review Committee

Media release

1 September 2006

Appropriations Review Committee

John Goulter, DCNZM, JP, former Managing Director of Auckland International Airport Limited, has been appointed sole member of the Appropriations Review Committee.

Mr Goulter is currently Chairman of the NZ Lotteries Commission and United Carriers Group Limited as well as being a Director of the Reserve Bank, Vector Limited and TVNZ Limited. He is a former Deloitte/Management Top 200 Executive of the Year and in 2003 New Zealander of the Year.

The appointment by the Speaker, Hon Margaret Wilson, followed a recommendation from the Parliamentary Service Commission (PSC).

The committee, under the Parliamentary Service Act, is required to review the amount of money appropriated by Parliament for administrative and support services to the House and to Members and to review funding entitlements for parliamentary purposes.

“With eight parties represented in Parliament, the PSC felt it would be more efficient to get one person of good standing to serve as the Committee rather than also use former MPs as has happened in the past,” said the Speaker.

Mr Goulter, who was involved in the last review, has three months to report to the Speaker, although that timeframe can by agreement be extended.

---

For further information:

Rose Hart  
Communications Adviser to the Speaker  
Office of the Speaker  
Parliament House  
Wellington  
New Zealand

Ph: 04 4719494  
Fax: 04 4722055  
Cell: 021 918306  
Email: [rose.hart@parliament.govt.nz](mailto:rose.hart@parliament.govt.nz)

**Appendix 3: Purposes of the Parliamentary Service Act 2000**

The Purposes of this Act (Section 4) are as follows:

- (a) to establish mechanisms for providing services and funding entitlements for parliamentary purposes;
- (b) to provide for the governance arrangements of the Parliamentary Service, in particular, by making the General Manager of the Parliamentary Service responsible to the Speaker;
- (c) to reconstitute the Parliamentary Service Commission as a policy body;
- (d) to provide for regular, independent reviews of the amounts of money appropriated for services and funding entitlements for parliamentary purposes; and
- (e) to provide for the ownership and control of land and other assets held for parliamentary purposes.

**Appendix 4: Functions of the Parliamentary Service Commission**

- (1) The Parliamentary Service Commission has the following functions:
  - (a) to advise the Speaker on the following matters:
    - (i) the nature of the services to be provided to the House of Representatives and to members of Parliament;
    - (ii) the objectives to be achieved by providing those services.
  - (b) to recommend to the Speaker the adoption of criteria governing funding entitlements for parliamentary purposes:
  - (c) to recommend to the Speaker persons who are suitable to be members of a review committee:
  - (d) to consider and comment on draft reports prepared by review committees.
- (2) The Commission may at any time require the Speaker or the General Manager to report on, or inquire into, matters relating to the administration of this Act or the exercise or performance of any function, duty, or power under this Act.
- (3) The Commission has any other function or power conferred on it by or under any enactment.
- (4) The Commission does not have a role in relation to:
  - (a) business transacted at meetings of the House of Representatives or meetings of committees of the House of Representatives; or
  - (b) any other proceedings in Parliament.

The Membership of the Commission is noted in Appendix 6.

### Appendix 5: Political Parties Consulted

#### Political parties interviewed: 2007 Review – Eight thereof

	No. of Members	Constituency MPs	List MPs
Labour Party	50	31	19
National Party	48	31	17
Progressive Party	1	1	-
ACT Party	2	1	1
United Future Party	3	1	2
NZ First Party	7	-	7
Green Party	6	-	6
Māori Party	4	4	-
	<b>121</b>	<b>69</b>	<b>52</b>

In most cases there were two or three meetings with each Party over the course of the Review.

#### Political parties interviewed: 2004 Review – Seven thereof

	No. of Members	Constituency MPs	List MPs
Labour Party	52	45	7
National Party	27	21	6
Progressive Party	2	1	1
ACT Party	9	-	9
United Future Party	8	1	7
NZ First Party	13	1	12
Green Party	9	-	9
	<b>120</b>	<b>69</b>	<b>51</b>

## Appendix 6: Other People and Organisations Consulted

### Parliamentary Service Commission (Current membership)

Hon Margaret Wilson (Chair)	– Speaker
Peter Brown	– NZ First
Hon Mark Burton	– Labour
John Carter	– National
Rodney Hide	– ACT
Keith Locke	– Green
Lindsay Tisch	– National
Tariana Turia	– Māori
Judy Turner	– United Future

Each Member of the Commission was individually interviewed.

### Ministers of the Crown

Hon Michael Cullen, Minister of Finance  
 Hon Pete Hodgson, Minister of Health  
 Hon Jim Anderton, Minister of Agriculture

### Agencies and Officials

Parliamentary Service (General Manager and Senior Managers, Library, Security, out-of-Parliament office staff)  
 Office of the Clerk (Clerk and Deputy Clerk)  
 Parliamentary research units (Labour and National)  
 Office of the Controller and Auditor-General  
 The Treasury  
 State Services Commissioner and Senior Managers  
 E-Government Unit, State Services Commission  
 Department of the Prime Minister and Cabinet (CEO and Corporate Services)  
 Prime Minister's Cabinet Office (Chief of Staff)  
 Remuneration Authority  
 Cabinet Office  
 Department of Internal Affairs (Executive Government Support)  
 Ministry of Justice

### Union Organisations

PSA  
 Service and Food Workers' Union  
 Unite!

### Other Persons

Robert Buchanan	John O'Sullivan
Dr Andrew Ladley	Joan Smith
Peter Lorimer	Karen Wilton

### Other Organisations

Deloitte (engaged to review administrative procedures in the Parliamentary Service)



## APPENDIX 7

### Appendix 7: Out-Of-Parliament Offices: Site Visits

The 2004 Review Committee visited 28 out-of-Parliament offices.

In order to update the information from 2004, 7 of those offices were re-visited and a further 3 offices were added.

Member of Parliament	Party	Location
John Carter Brian Donnelly	National (E) NZ First (L)	Kerikeri Whangarei
Ann Hartley Rodney Hide Judith Tizard Murray McCully	Labour (L) * Act (L) Labour (E) National (E)	North Shore Auckland Auckland North Shore
Peter Brown Bob Clarkson Mita Ririnui Tony Ryall	NZ First (L) National (E) Labour (E) National (E)	Tauranga Tauranga Tauranga Te Puke

L = List MP

E = Electorate MP

\* Hub Office accommodating Ann Hartley, Darien Fenton and Maryan Street.

Inputs were provided by out-of-Parliament office staff (both Electorate Agents and Issues Assistants) and also from many of the MPs and others directly involved with these offices, including those in general support roles.

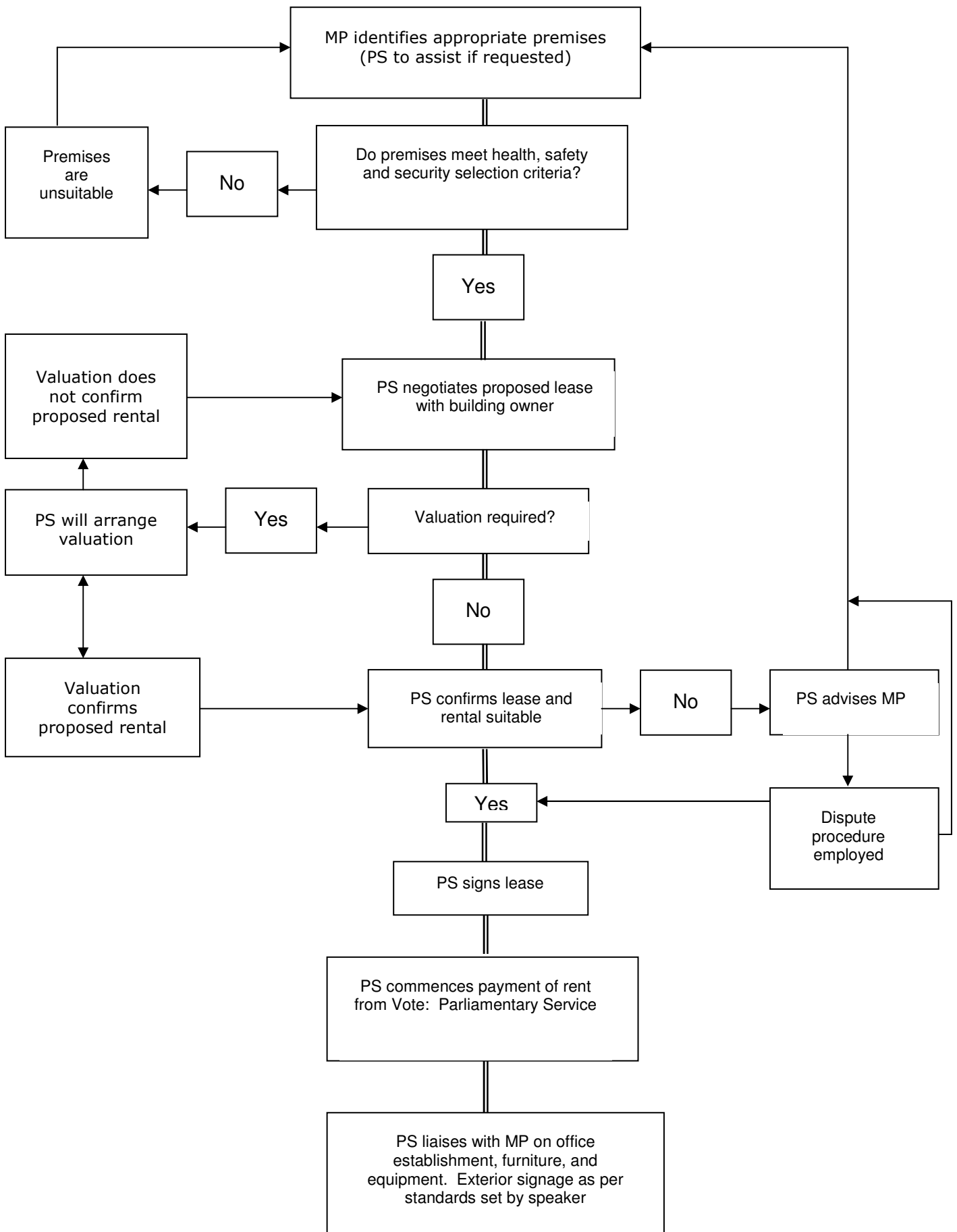
**Appendix 8: Mechanism for Administering out-of-Parliament Offices**

Extract from 2004 Appropriations Review Report, pp 23-25: Recommended Mechanism for Administering Out-of-Parliament Offices

<p><b>Leasing of premises</b>                  Out-of-Parliament premises to be leased by the Parliamentary Service.                  MPs in the first instance to identify the premises of their choice, to ensure relevance to their requirements (consultation between MP and Parliamentary Service).                  Electorate MPs entitlement to two offices and List MPs to one, continues. Should an MP elect in the first instance not to have an office, or to have only a shared office, he/she does not lose the opportunity to establish an office of his/her own subsequently.                  Additional offices for Electorate MPs possibly justified in appropriate cases, eg size of electorate.                  The Parliamentary Service must not approve premises that do not comply with health and safety regulations and security standards.                  In the case of disagreement over the selection of premises, or over the number of premises in the case of Electorate MPs: first recourse is consultation between the Senior Whip and the Chief Executive of the Parliamentary Service, with the Speaker as final arbiter. Consideration at all stages to be based on criteria of appropriateness and cost.</p>
<p><b>Costs</b>                  Parliamentary Service meets the cost of rent, fit-out and furnishing, office equipment including the computer network, with linkages to Parliament, and depreciation on equipment.                  Rent guidelines to be established to protect taxpayers and ensure transparency. Parliamentary Service acquires a valuation and satisfies itself that the rent is reasonable. No absolute rent cap: an 'actual and reasonable' approach.</p>
<p><b>Office equipment</b>                  Basic office equipment and furniture to be provided by Parliamentary Service in consultation with the MP. Must comply with health and safety standards.                  Basic electronic equipment to be supplied by Parliamentary Service. This, and any enhancements chosen by the MP or out-of-Parliament office, should be compatible with and integrated into the in-Parliament computer systems.                  Equipment owned by Parliamentary Service.</p>
<p><b>Members' Support allocations</b>                  No change in existing Members Support allocations (these to remain at \$66,000 for Electorate MPs and \$42,000 for List MPs), i.e. an effective increase in funding support for MPs.</p>

The following chart shows the steps in the leasing process, as we envisage the system working. It differs from the steps MPs and the Parliamentary Service go through under the present system in respect of: the role of the Parliamentary Service in negotiating the lease once the MP has identified premises and they have been ascertained as meeting health and safety standards; the dispute procedure; liaison between the Parliamentary Service and the MP on furniture and equipment; and application of standards for exterior signage.

## Essential Steps For Leasing An Out-Of-Parliament Office



## Appendix 9: Parties in House of Representatives

The information in this appendix was provided as input to the Review. It does not claim to include all the changes that occurred during each Parliament.

**1981 – 1984 Parliament:** National (47), Labour (43), Social Credit (2)

**1984 – 1987 Parliament:** Labour (56), National (37), Social Credit (2)

**1987 – 1990 Parliament:** following 1987 general election: Labour (57), National (40)  
plus during 1987 - 1990 Parliament: New Labour (1, formerly Labour)

**1990 – 1993 Parliament:** following 1990 general election: National (67), Labour (29), New Labour (1)  
plus during 1990 – 1993 Parliament: Liberals (2, formerly National)  
after 1993 by-election: New Zealand First (1, formerly National)

**1993 – 1996 Parliament:** following 1993 general election: National (50), Labour (45), New Labour (2), New Zealand First (2)  
plus during 1993 – 1996 Parliament:

- Future New Zealand (1 from Labour)
- United (4 from National, 2 from Labour, 1 from Future New Zealand)
- Right of Centre (2 from National)
- Christian Democrat (1 from National)
- New Zealand First gained 3 (2 from National, 1 from Labour) for a total of 5 (before 1 resigned from the House some months before the 1996 general election)

**1996 – 1999 Parliament:** following 1996 general election: National (44), Labour (37), New Zealand First (17), Alliance (13), ACT (8), United (1)  
plus during 1996 – 1999 Parliament:

- 2 MPs left the Alliance and became 1 MP parties
- 8 MPs left New Zealand First, 3 sitting as independent MPs, 5 forming Mauri Pacific (which did not seek recognition under Standing Orders as a parliamentary party)
- 1 of the (ex New Zealand First) independent MPs resigned and was replaced by a New Zealand First list MP
- 2 further Alliance MPs indicated their intention to stand for the Green Party in the 1999 general election

**1999 – 2002 Parliament:** following 1999 general election: Labour (49), National (39), Alliance (10), ACT (9), Greens (7), New Zealand First (5), United (1)  
plus during 1999 – 2002 Parliament: the Alliance Party divided into 2 separate parties for contesting the 2002 general election

**2002 – 2005 Parliament:** following 2002 general election: Labour (52), National (27), New Zealand First (13), ACT (9), Greens (9), United Future (8), Progressive Coalition (2)  
plus during 2002 – 2005 Parliament: after 2004 by-election: Maori Party (1, formerly Labour)

**2005 – 2008 Parliament:** following 2005 general election: Labour (50), National (48), New Zealand First (7), Greens (6), Maori Party (4), United Future (3), ACT (2), Progressive (1).

**Appendix 10: Recommendations**

EN	=	Expenditure Neutral
ER	=	Expenditure Required

**PART ONE: INTRODUCTION**

**1.1 Make-up of Fourth Triennial Review Committee**

- a) Given that the 2007 Committee was also involved with the 2004 Review that new participants be involved next time consisting of two external and independent persons, with each being designated joint chairperson. An Executive Assistant should also be appointed. EN

**PART FOUR: MANAGING THE PARLIAMENTARY APPROPRIATIONS**

**4.1 The Management Process**

- a) The current status of compliance by the Parliamentary Service with the requirements of the Parliamentary Service Act 2000 be reviewed, ensuring the correct procedures for the issue of Directions (by the Speaker), and that all participants in the process of Direction are aware of their roles and responsibilities.  
This would be a first step prior to looking at what changes need to be made to the Act itself. EN
- b) That further education, information and training on the role of the Parliamentary Service Commission, be undertaken. (The Functions of the Parliamentary Service Commission are noted in Appendix 3 of this report.) EN
- c) Whatever resources are required to correctly supply the above processes are indeed provided. These may include extra staff, training, equipment and or other resources.  
Not only have the various roles of the participants changed over the decade, the output requirements have also changed and again I note that the present Act appears to be a constraint in this respect. ER
- d) The current level of support afforded the Speaker be immediately reviewed. A number of people are assisting on various issues but somewhat on an ad hoc basis. A structure needs to be confirmed which allows for quality advice and considered input relative to the ongoing output requirements. The role of the Speaker has changed; the structure needed to support this change has not. ER
- e) The Statement of Intent for the Parliamentary Service incorporates groupings of deliverables that can actually be measured.  
Input from the out-of-Parliament offices relative to contact or communication could also be included. There are numerous service measurements that could well be introduced.  
The simple objective is to provide a basis for performance evaluation. At present many express a high level of frustration with the overall performance of the PS. Not all of the dissatisfaction however is based on “factual non-delivery”. A basis of performance measurement would

assist in determining what is perception and what is indeed factual. EN

- f) A process be adopted for monitoring the relationship between the Speaker and the General Manager of the Parliamentary Service. This is obviously a critical relationship in respect of outputs and one that must be maintained at a very high level of efficiency and effectiveness thus providing a positive environment within which financial and other decisions can be made. EN

(The “alternative scenario” that follows advocates the establishment of an Advisory Board to assist both the Speaker and the Parliamentary Service Commission. This Board would play an active role in respect of monitoring this relationship.)

- g) Given the critical relationship between the Speaker and the Parliamentary Service Commission, and for the overall process to work for mutual benefit, the Office of the Speaker, the Parliamentary Service Commission and Parliamentary Service work within a “circle of cooperation”, providing mutual support to achieve constructive outcomes. EN

#### **4.2 An alternative scenario**

- a) Although the terms ‘Parliamentary Service Commission’ and ‘Parliamentary Service’ are enshrined in legislation, one of these should be changed. EN

- b) It would appear more logical to change the term ‘Parliamentary Service’ which does not necessarily offer descriptive advice of its total functions. EN

- c) The functions of the Parliamentary Service are increasingly becoming more associated with that of a business and will continue to do so. Accordingly I would suggest the name of the Parliamentary Service be changed to that of the Parliamentary Corporation. Such a body corporate already exists and it should be able to be restructured without too much trouble to incorporate the activities of the Parliamentary Service. ER

- d) The position of General Manager of the Parliamentary Service be upgraded to Chief Executive of the Parliamentary Service (or Corporation). ER

- e) The use of the Parliamentary Corporation be seriously considered as taking over the activities of the Parliamentary Service thus providing a totally new vehicle, to lead Party and Members’ Support functions and encompassing the principal duties of the Parliamentary Service. This would of course require a legislative change. ER

- f) The Parliamentary Corporation be supported by the establishment of an Advisory Board of up to 4 members to assist with governance, management, accountability and monitoring of the activities that interface between the Office of the Speaker, the Parliamentary Service Commission and the Parliamentary Service. ER

#### **4.3 Travel Entitlements**

- a) That the Speaker review all travel allowances available to former

Members of Parliament, to confirm the ongoing appropriateness of such allowances, and determine whether the possible total sums involved might in whole or part, be better allocated elsewhere. ER

## **PART FIVE: SERVICE CAPABILITY**

### **5.1 The Parliamentary Service**

- a) The customer base of the Parliamentary Service be reconfirmed.  
To me there are a number of customer groups and I suggest these include: the Speaker, the Members of Parliament; the parliamentary political parties; the Parliamentary Service Commission; the other four parliamentary agencies on campus; the staff employed on campus and the staff employed off campus. ER
- b) The actual requirements of the customers be established.  
Not their theoretical needs, but their actual needs – which may require a somewhat novel approach in actually looking at the “marketplace” and the customers’ needs from a bottom up approach as opposed to a “this is what you need” approach and applied on a top down basis. ER
- c) The services currently able to be supplied or provided relative to those needs be confirmed, with consequent confirmation of what is not currently able to be supplied or provided. EN
- d) All operating authorities and consents as delegated be clear, concise and most importantly, understood. EN

### **5.2 Staff numbers**

- a) That work be carried out to determine the incidence of staff turnover associated with parliamentary events and the overall staff turnover compared to other preferred employment organisations. ER  
It may well be that the figures shown are actually reflective of a preferred employment organisation – however it would be interesting to actually confirm this point relative to the non-events based staff turnover.

### **5.3 Events-based employment**

- a) The notice period given to “events-based” staff on the occasion of an election be extended forthwith from 4 weeks to 6 weeks, with no change in the pre-election date notice period. ER

### **5.4 Staff remuneration**

- a) That a study be commissioned to advise on remuneration for the different functionaries employed in executive and support service roles on the parliamentary campus. An objective of this study would be to also establish whether there is a case for reviewing the adequacy of pay scales (including the Library) and for location allowances for out-of-Parliament staff. ER

## **5.5 The Office of the Clerk**

- a) A capability enhancement programme for the Office of the Clerk be properly resourced to ensure appropriate levels of institutional knowledge are maintained for future service delivery. ER
- b) The effectiveness of the current staff rotation policy for select committee support be re-evaluated. EN

## **5.6 Parliamentary International Travel**

- a) The budget allocated within the Office of the Clerk for official international parliamentary travel be reviewed in the 2007/2008 financial year. The sum determined as appropriate should reflect the role New Zealand is increasingly playing in the international parliamentary arena. ER

## **5.7 Select Committee Travel**

- a) The existing provision for select committee travel between Australia and New Zealand be extended to allow for similar visits to be made to other countries subject to appropriate criteria being met. (A simple control could be the limitation of this policy to only allow for one such visit per annum.) ER

## **5.8 New Zealand – Australia Political Exchange**

- a) The New Zealand Exchange programme for young political leaders be continued and that funding be made available for an ongoing overseas visit on an annual basis. ER
- b) The current number of participants per delegation and selection process thereof be revisited to ensure the criteria for selection, in all respects, remain pertinent to the original objectives. EN

## **PART SIX: THE PARLIAMENTARY CAMPUS**

### **6.1 Administration of the Parliamentary Campus**

- a) The Parliamentary Service confers with the other four agencies within the parliamentary campus to objectively determine what products and services could be provided as a cost efficient measure, for mutual benefit. EN

### **6.2 Security**

- a) Forthwith, the functions and staff of the security operations department of the Parliamentary Service be transferred to the New Zealand Aviation Security Service; the ownership of capital equipment also to be transferred. EN
- b) The outsourcing of total security strategy implementation and management to the New Zealand Aviation Security Service would continue to be by the Parliamentary Service. EN



### **6.3 Information and communications technology**

- a) The Information Systems and Technology Group within the Parliamentary Service be mandated and resourced to take on the leadership role for the future development of ICT for the parliamentary campus and out-of-Parliament offices. ER

### **6.4 Business continuity planning**

- a) The Department of the Prime Minister and Cabinet take responsibility for coordinating and monitoring the appropriateness of all disaster recovery plans as promulgated by the five agencies within the parliamentary campus. ER
- b) The Officials Domestic and External Security Committee take urgent steps to ensure there is a practical plan in place to reinstate the operations of Parliament expeditiously should a major catastrophe render the current central Wellington site inoperable for any reason. ER
- c) A special funding allocation be confirmed to ensure whatever facilities (and prior study consideration) are deemed necessary can proceed as a priority. ER

### **6.5 The Campus ten years' out**

- a) That the Parliamentary Service be given the responsibility of creating a long-term strategy for the development of the parliamentary campus and that an initial draft of this plan be considered in tandem with the Business Continuity Plan that is yet to be confirmed. EN

### **6.6 Food and beverage**

- a) That a market review of the services and products as supplied by the caterers to Parliament be undertaken. On receipt of this survey new criteria appropriate to the image of Parliament be determined and advised. EN

## **PART SEVEN: FUNDING AND SUPPORT SERVICES FOR MEMBERS**

### **7.1 Funding arrangements**

- a) *Leaders' base allocation*  
The party leaders base sum support amount be increased to \$100,000 from the current \$50,000. ER
- b) *Leaders' per member allocation*  
The current sum of \$57,176 for each non-executive Member of Parliament, as applies to the Leaders' funding be increased to \$64,320. ER
- c) *Whips/Research Unit allocation*  
The amount per Member of Parliament to fund the Whips office, research units and operating costs, be increased to \$22,000 per Member as opposed to the current \$20,000. ER

d) *Members' Support allocation*  
The Members' Support allocations be increased from \$59,500 per Constituency Member and \$37,000 per List Member to \$64,260 and \$40,932 respectively. ER

e) *Commencement Date*  
Each of the five increases noted above be applicable from 1 July 2007. ER

## **7.2 List and Constituency MPs**

a) That market research be carried out with eligible voters to determine their understanding of the functions and service outputs of List and Constituency MPs. ER

b) Given that constitutionally there is little to distinguish Constituent and List MPs in terms of roles and activities a plan be developed to progressively reduce the Members' Support differential. ER

## **7.3 Bulk funding**

a) An external organisation with financial management expertise and analytical skills be employed to determine the detail of the mechanisms and support systems that would be required, along with the associated costs, to introduce bulk funding as a primary tool for supporting all political parties and Members thereof. ER

b) Given that the subject of Bulk Funding has been raised in each successive Appropriations Review, this work be completed well before the advent of the Fourth Triennial Review. EN

## **7.4 Communication – printing and stationery**

a) The Office of the Speaker direct the Parliamentary Service to introduce a system wherein those costs associated with printing and stationery within the MPs' Communications Appropriations be disaggregated and be reallocated on a direct user-pays basis. EN

## **7.5 The Members' Handbook of Services**

a) The replacement of the Members' Handbook of Services with comprehensive directions, be expedited. EN

## **7.6 Mileage allowance**

a) The Parliamentary Service re-advise all participants of the reimbursement rates applicable to their particular motor vehicle with the objective of ensuring that the correct rates are indeed being accessed by all. EN

b) That a "logbook free" reimbursable mileage allowance of 5,000km per annum be introduced. EN

## **7.7 Wellington Accommodation allowance**

a) That the Wellington accommodation allowance be increased to provide a total sum of up to \$24,000 per annum. EN

## **PART EIGHT: OUT-OF-PARLIAMENT OFFICES**

### **8.1 Out-of-Parliament Offices**

- a) The Parliamentary Service consult with all MPs through a simple survey to confirm a new term for MPs' local offices. As a suggestion, could they not simply be termed Local Parliamentary Offices and the staff be termed Local Parliamentary Office staff. EN
- b) Consideration be given to new titles being adopted to replace the terms "electorate agent" and "issues assistant". EN

### **8.2 Out-of-Parliament office image**

- a) A sincere and genuine reappraisal be made of the current image projected by the majority of MPs' out-of-Parliament offices and a decision be taken to confirm an image standard that reflects pride in our system of democracy and the institution of Parliament. EN
- b) This standard be circulated to all MPs and parties along with a process to support its use. EN

### **8.3 Out-of-Parliament office specifications**

- a) A conscious decision be taken as to an appropriate benchmark standard for the overall quality of out-of-Parliament offices. ER
- b) There also be a conscious decision made to "close the gap" as to the standard and quality of office as provided within the Wellington Parliamentary campus and the standard and quality of out-of-Parliament offices. EN
- c) A process be established whereby any non-compliant aspect of an office, once identified, be subject to an agreed plan of action, such plan to have formal agreement confirmed within a period of 28 days. ER

### **8.4 Staff training**

- a) The development and introduction of the training framework, as alluded to in the Parliamentary Service October 2006 Newsletter, be completed as a priority and that it be recognised that there is a major task ahead in establishing an ongoing programme that is consistent with normal practice of today. ER
- b) In this regard I see no reason why all employees of the Parliamentary Service should not enjoy the same opportunity afforded most others in the workplace today, and at least the same opportunities as their colleagues working on the parliamentary campus. EN

### **8.5 Large electorates and Māori electorates**

- a) That all Māori constituent Members of Parliament and each constituency Member of Parliament with an electorate in excess of 20,000 sq km in area, be entitled to the services of an extra staff member to equate to three full-time equivalent out-of-Parliament support staff members. ER

- 8.6 A Freephone Service**
- a) That a freephone service be trialled for a 12 month period in two large rural electorates one being in the North Island, the other in the South Island. ER
- 8.7 Rent costs**
- a) The Parliamentary Service Commission notes that office rentals for out-of-Parliament offices do vary significantly dependent on geographic location and siting therein. EN
- b) That a modal office standard be agreed against which significant geographic rental variations can be measured. This standard could then be used to establish the need for supplementary rental assistance if clearly identified. ER
- 8.8 Links between out-of-Parliament offices and Parliamentary Service**
- a) The induction programme for out-of-Parliament office staff include an overnight visit to Parliament, and at a time when the House is sitting. ER
- b) The Parliamentary Service provide, for publication within their annual Statement of Intent, a measurable programme, able to confirm improved contact with all staff. EN
- 8.9 General**
- a) That a simple logbook type record be kept of all visitors and contacts with and to, out-of-Parliament offices relative to reason of visit, assistance able to be given, assistance that might have been given if available etc. and that the information gathered here be utilised on a national basis to provide better customer relationships through more targeted training and the like. EN
- 9.1 Fiscal implications**
- a) Over and above the sum nominated to provide for the increased allocations for Member and Party Support – a further sum of \$2.0 million be budgeted (50% as expense and 50% as capital expenditure) for the 2007/08 financial year. This sum to be only and directly associated with expenditure on the recommendations noted in Appendix 10. These funds would be included within Vote: Parliamentary Service. ER