RESOURCING PARLIAMENT

PARLIAMENTARY APPROPRIATIONS REVIEW

REPORT OF THE COMMITTEE ON THE SECOND TRIENNIAL REVIEW

November 2004
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PART ONE: INTRODUCTION

1.1 Background

A review of the Parliamentary Service Act 1985, carried out in 1999, proposed a three-yearly review of the parliamentary budget. In the words of the independent review group (appointed by the Parliamentary Service Commission to review governance and accountability arrangements under the 1986 Act):

“We believe that in the interests of Parliament’s ongoing ability to ensure proper levels of resourcing for members there should be some means for externally assessing members’ legitimate resource requirements.”

The result was a provision in the new Parliamentary Service Act 2000 setting out comprehensive terms of reference for an independent committee to be appointed each parliamentary term, to review and make recommendations on the amounts of money appropriated by Parliament for:

(a) “Administrative and support services provided to the House of Representatives and to members of Parliament

(b) Funding entitlements for parliamentary purposes.”

The review committee established by the Act comprises three members appointed by the Speaker (membership of the committee is set out in Appendix 2). The committee reports directly to the Speaker.

The committee’s powers are recommendatory only but, as illustrated by the outcomes of the 2002 review, its recommendations have an important influence on budget decision-making.

This is the second such review carried out under the Act. It follows two years after the first (rather than three) because of a slight time lag in setting up the first review. Reviews from now on should fall into a three-year pattern.

The committee appointed to undertake the first triennial review in 2002 had the not inconsiderable task of charting a path for its own and future reviews. The report it produced has provided excellent guidance for the present committee.

Of particular value for the present review has been the 2002 committee’s interpretation of the scope, aims and purposes of the triennial reviews and the framework the committee laid out as a reference point for evaluating parliamentary resourcing.

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1 Parliamentary Service Act 2000, sections 20 – 22.
We reviewed the previous committee’s approach and found it an excellent starting point.

### 1.2 Scope and Purpose of Review

As defined by the Act (see Appendix 1) and as interpreted by the 2002 committee, our review covers the nature, quantity and quality of services to the House, members of Parliament (MPs) and parliamentary parties, and in particular:

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

The purpose is, essentially, 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 does not deal with matters that fall within the scope of the Remuneration Authority which has jurisdiction over parliamentary remuneration.

### 1.3 The Parliamentary Environment and MMP

The 2002 review committee emphasised the importance of acknowledging the New Zealand parliamentary tradition and the long-established roles of Parliament and MPs. We endorse the 2002 committee’s description of the core functions of Parliament and of MPs and considered it well worth quoting the committee in full again (see Appendix 5).

At the same time, we recognise that parliaments constantly evolve, as do demands on MPs and the ways they respond to changing demands. Flexibility remains an important element in how Parliament is resourced.

We considered whether the impact of MMP on the operation of Parliament has run its course or whether it is still unfolding. The 2002 committee believed that MMP would continue to produce further change. We agree with that conclusion, albeit that there is a now a good understanding of how the MMP system shapes the operations of Parliament, both in respect of the House and select committees and in respect of the administration of services. Wide-ranging changes in the procedures of the House in response to MMP are now well embedded.

We do however expect ongoing impacts from greater public participation in the processes of Parliament, a more diverse group of people making up the Parliament, a multi-party setting that gives more significant roles to
smaller parties and the greater significance of parliamentary parties relative to the role of the individual MP.

Other important influences continue to be the increased volume of parliamentary business and the clearly more powerful role of select committees in the parliamentary system.

These factors have influenced our consideration of resource needs.

We saw the key issues as being:

- How to meet the resource requirements of party groups and members, and ensure fair resource allocation within inevitable budget constraints; while
- Adhering to public expectations of an MMP Parliament, in particular that MMP will improve Parliament’s effectiveness while making no more than reasonable demands on the public purse.

1.4 Principles for Resourcing Parliament

We strongly endorse the principles laid out by the 2002 committee. We believe it is important to keep going back to first principles when considering any proposal to increase resources and to ask the question: in what way might Parliament and democracy be enhanced by doing this? For each of our proposals we then considered whether the proposal would:

- Enhance the ability of Parliament to hold the Government to account
- Serve democracy better, eg through improving accessibility to Parliament and MPs
- Help MPs to do a more effective job and to work more efficiently
- Improve communication between MPs and their constituencies and communities.
Principles for Resourcing Parliament

We adopted 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 (changes in the electoral system, 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.

1.5 Key Directions

The Longer Term

As well as evaluating resource needs for the three years of the next parliamentary term, in some key areas we have looked further ahead and considered aspects of the evolving future of Parliament. We felt it was particularly important to do this in the fields of information and communications technology and support given to MPs for out-of-Parliament offices. In both areas we identified a need for new investment designed to provide a sustainable long-term resource base.
The Out-of-Parliament Perspective

We have also kept in mind that the question of how New Zealand democracy is supported concerns both what happens within the parliamentary complex and, in the case of MPs, outside Parliament. Submissions to the committee put a heavy emphasis on out-of-Parliament support. We have followed this through in our proposals.

1.6 The Fiscal Context

Our terms of reference require us to consider the need for fiscal responsibility. We sought advice on the current fiscal climate to factor into our review, aware that any proposals to increase parliamentary spending will always need to be tested against rigorous attention to priorities.

In considering the case for increasing expenditure on Parliament, we applied three criteria that are now 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.

We are satisfied our proposals meet these tests.

1.7 Our Process

The committee invited submissions from a variety of sources and viewpoints including all MPs, the leaders and Whips of all parliamentary parties, the unions operating within the parliamentary complex and other interested groups.

We also sought views and information from senior officials of the Parliamentary Service and the Office of the Clerk and input from key government agencies: the Office of the Controller and Auditor-General, the Treasury, the State Services Commission (SSC) and the SSC’s E-Government Unit.

The committee made a particular point of visiting a representative sample of out-of-Parliament offices – 28 in all. Support for out-of-Parliament offices was an area of strong emphasis in submissions. We felt it was important to see first hand how these offices operate and the issues affecting staff.

Other site visits included the Parliamentary Library, security and postal/delivery facilities, a sample of MPs’ in-Parliament offices and select committee rooms.

We operated relatively informally, canvassing views and ideas that we could consider as resourcing options. We greatly appreciated the frank,
cordial meetings we had with MPs and others, and the oral and written analysis submitted to us.

There was, needless to say, a wide range of views on what could be improved, but also a substantial consensus on what MPs regard as strengths in the present arrangements for supporting MPs, parliamentary parties and Parliament.

As required by section 21(2)(b) of the Parliamentary Service Act, the committee consulted the Parliamentary Service Commission on our draft recommendations before submitting our final report to the Speaker.

We also had discussions with the Remuneration Authority.

Appendix 3 lists the people and organisations we met with and from whom we received submissions, information and valuable input.
PART TWO: DEVELOPMENTS FROM THE 2002 REVIEW

2.1 Commentary

The 2002 review committee made a large number of recommendations on key areas of parliamentary resourcing. The committee recognised that over the years resources had, incrementally, kept reasonable pace with changing demands. As the first of its kind to be carried out for the New Zealand Parliament, the 2002 review also highlighted areas that called for more systematic consideration. Some of the 2002 committee’s proposals represented a quantum leap in resourcing priorities. Others were designed to update the level of resource for specific activities.

2.2 Actions Taken on 2002 Report

The Parliamentary Service and Office of the Clerk provided us with a report outlining the actions taken on the 2002 report. These are summarised in the following section. In section 2.3 we assess the progress these actions represent.

Each set of actions relate to recommendations made by the 2002 committee.
<table>
<thead>
<tr>
<th>RECOMMENDATION</th>
<th>ACTION</th>
<th>STATUS</th>
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</thead>
<tbody>
<tr>
<td>Party and Members’ Support funding</td>
<td>Funding increased in line with the 2002 review recommendations.</td>
<td>Completed</td>
</tr>
<tr>
<td>Freephone</td>
<td>Recommendation to trial a freephone service for larger electorates not acted on because of potential cost.</td>
<td>For further consideration</td>
</tr>
<tr>
<td>Staff structures</td>
<td>Changes relating to position descriptions and the salary structure for MPs’ support staff were implemented, not exactly as the 2002 committee recommended but nevertheless addressing the issues.</td>
<td>Completed</td>
</tr>
<tr>
<td>Information and research</td>
<td>The Library has introduced a number of new services including growing the use of electronic forms of communication and new information products (see section 3.10 below). The Office of the Clerk (with the Parliamentary Service) is trialing an electronic information management system for select committees.</td>
<td>Achieved, further developments in progress In progress</td>
</tr>
<tr>
<td>Information and communications technology (ICT)</td>
<td>The Office of the Clerk and the Parliamentary Service are developing a joint ICT strategy for Parliament. It will extend to Ministerial Services, Department of the Prime Minister and Cabinet and the Parliamentary Counsel Office. The Library is undertaking a ‘mobility project’ designed to allow access to information from mobile technology reading devices. Out-of-Parliament offices are now entitled to high speed Internet access. Access depends on whether or not Broadband is available in the locality. Upgrading the parliamentary website is underway in partnership between the Parliamentary Service and Office of the Clerk. A contingency budget bid has been made. A business case is being prepared. Intranet and Internet site redevelopment is underway. Some training provided for MPs and staff in the use of ICT. The Library has appointed a Training Coordinator. Training has been run for out-of-Parliament staff. Work is being done towards providing a full training needs analysis for members’ support staff which is expected to include ICT. Establishment of rules to govern security for new computer applications. Office of</td>
<td>Some progress In progress Completed In progress Some progress Ongoing Some progress</td>
</tr>
</tbody>
</table>
the Clerk has installed a new security protocol to allow the e-committee project to proceed.

Joint ICT initiatives between the Parliamentary Service and Office of the Clerk. A number of these are taking place.

Justification of new technology on efficiency grounds.

Establishment of an ICT advisory committee: a proposal was accepted by the Parliamentary Service Commission (PSC) in February 2004. It has been referred back to the Parliamentary Service to develop terms of reference.

<table>
<thead>
<tr>
<th>Select Committee Resourcing</th>
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<tbody>
<tr>
<td>Recommendations on enhancing the use of external specialist advisers have been either acted on or progressed. The number of specialist advisers has been significantly increased, from 7 in 2002/03 to 14 on 2003/04.</td>
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<tr>
<td>A recommendation to increase the funding pool has been implemented.</td>
</tr>
<tr>
<td>Enhancement of the information, research and analysis services to select committees has progressed through the successful completion of a pilot and the provision of more funding. The appointment of three additional research analysts in the Parliamentary Library has allowed services provided direct to select committees to be increased by more than 50%. This increase is funded for the term of this Parliament only. Continued funding is contingent on continued endorsement.</td>
</tr>
<tr>
<td>Video conferencing is now regularly used and accepted by select committees as a routine means of communication. One video conferencing facility is available and is well utilised by all select committees. A mobile facility is in use and a commitment has been made to install a second fixed facility.</td>
</tr>
<tr>
<td>Funding was provided in the 2003/4 year for two select committee visits to Australia per year and visits have commenced.</td>
</tr>
<tr>
<td>Incremental improvements have been made to the detail of select committee pages on the parliamentary website but major improvements will be made as part of the joint website upgrade project and the electronic select committee project.</td>
</tr>
<tr>
<td><strong>Televising Parliament</strong>&lt;br&gt;<strong>(live coverage)</strong></td>
</tr>
<tr>
<td>---</td>
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<tr>
<td><strong>Bulk funding</strong></td>
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</table>
| **Out-of-Parliament offices** | The 2002 committee’s recommendation for compliance of new premises leased by MPs with interim guidelines drawn up by the Parliamentary Service for issuing to new MPs following the 2002 General Election has not made progress. Some members hold a different view from the Parliamentary Service as to what is required to comply with the guidelines. The Parliamentary Service continues to work with those members to ensure that out-of-Parliament offices are of the agreed standard.  
Rules for the establishment of out-of-Parliament offices incorporating workplace standards are underway.  
The principle has been adopted that for premises found not to meet these standards existing leases be terminated at the end of the lease. Members who have offices that do not comply, and which cannot be modified or improved to make them comply, have been informed that they should seek new premises at the next opportunity to withdraw from the lease, or at the next election, whichever is the sooner. | **Some progress** | **Project in planning** | **Principle adopted** |
| **Guidelines** | Principles for the use of resources by parliamentary parties and MPs have been agreed by the Parliamentary Service Commission and will be incorporated in a new section of the Members’ Handbook of Services.  
These guidelines are to be assessed for how well they improve clarity and certainty for parliamentary parties and MPs, and assist the Parliamentary Service in administering entitlements and advising the Speaker.  
The guidelines will sit alongside the Remuneration Authority’s definition of ‘parliamentary business’ and be actively promulgated among staff in parliamentary party and MPs’ offices. | **Completed** | **To be assessed** | **Completed in part** |
| **Disclosure** | There has been no formal change in the level of disclosure of actual spending from parliamentary party and Members’ support budgets, but the intent of the principles in the guidelines statement go some way towards improving transparency.  
A new initiative is the Parliamentary Service Commission’s decision to place summary data from the appropriations summary report, presented to the monthly Commission meetings, on the Speaker’s Website. | **Not done** | **New initiative** |
2.3 Our Assessment of Progress on the 2002 Report

In general we regard the progress made on the 2002 review as reasonably satisfactory. Funding has been a constraint in some areas.

Areas of Substantive Progress

These include:

- The adjustment of party and Members’ Support budgets to more realistic levels.
- Significant developments in information and research services, under various Library initiatives.
- Select committee video conferencing has been implemented and is working very successfully.
- Action is proceeding on the live televising of Parliament.

Areas Where Progress Has Lagged

In the main these are:

- Out-of-Parliament office issues which remain largely unresolved.
- Some developments with information and communications technology. We are pleased to see the beginning of action on joint technology developments between the Parliamentary Service and Office of the Clerk. We note the following statement from the Year to June 2005 Statement of Intent of the Office of the Clerk:
  
  “The Government recently required the Office of the Clerk, the Parliamentary Service, Ministerial Services and other agencies in the parliamentary complex to develop jointly a parliamentary IT strategy.”

- The upgrade of the parliamentary website. We acknowledge this is proceeding and note that completion is expected in time for the next Parliament.

We note that no action has been taken on bulk funding, an issue that was extensively canvassed in the 2002 report. We reviewed the case for bulk funding and concluded that there is no longer a strong case for further considering extensions. We elaborate on this conclusion in section 5.2 below.

Significant matters outstanding from the 2002 review are identified in our report. In some cases we propose a different approach, notably in respect of out-of-Parliament offices and the future development of ICT on the parliamentary campus in Wellington.
3.1 Commentary

In this section of our report we address the key resourcing issues that emerged from our 2004 review.

We have grouped the issues into the following broad topics. These all relate to services provided by the Parliamentary Service and the Office of the Clerk to Parliament and its members:

Section 3.3 Out-of-Parliament office support.
Section 3.4 Party and Members’ Support.
Section 3.5 Maori Members of Parliament.
Section 3.6 Changing demographics.
Section 3.7 Communications (printing and stationery).
Section 3.8 Office of the Clerk.
Section 3.9 Information and communications technology.
Section 3.10 Parliamentary information and research.
Section 3.11 Educational material about Parliament.

These topics generally mirror the thrust of submissions made to the committee.

Some of our proposals involve significant new investment and/or expenditure changes. In line with the requirement for us to consider the need for fiscal responsibility, we applied four criteria to the consideration of our proposals:

- Are the services currently provided, and the funds currently allocated, adequate?
- Are they serving their purpose or do they need to be changed in any way?
- Are the funds currently allocated adequate for the foreseeable future?
- What are the areas of highest priority for any additional expenditure?

Further influences on our deliberations were:

- The principles set out in section 1.4 of our report, and in particular important concepts of democracy implied by those principles. In our view, a ‘bench-mark’ test of any new resourcing is the advancement of democracy in New Zealand – for example, are MPs enabled to work better; is the interface between Parliament, MPs and the public made more effective and efficient.

- The longer time horizon of some key issues, notably information and technology and out-of-Parliament office support. We asked people
for their views on what the future might hold and what resources they saw as being needed when looking five and ten years out. We built these views into our thinking.

- Finally, the committee recognises that MPs and parties bring distinct styles to their parliamentary roles. MPs and parties need a degree of flexibility and choice in how to use their allocated funding.

### 3.2 Expenditure Trends

The committee examined the expenditure trends and cost drivers in the two parliamentary votes within our terms of reference, i.e., Vote: Parliamentary Service and Vote: Office of the Clerk. (Vote: Parliamentary Counsel is not within our brief as the purpose of appropriations to the Parliamentary Counsel Office is provision of support for the Government’s legislative objectives.)

We note that the two appropriations – Parliamentary Service and Office of the Clerk – have both risen in each of the two years since the 2002 review.

**Parliamentary Service**

Expenditure on the Parliamentary Service increased from $76.5 million in 2002/03 to $82.1 million in 2003/04, a 7.3% increase. The 2004 Budget appropriated $88.5 million for 2004/05, a 7.8% increase over expenditure in 2003/04.

The charts below show the pattern of expenditure (not inflation adjusted) over the past five years and incorporate projected costs for the 2004/05 financial year.

There are two components to Vote: Parliamentary Service. One is Crown expenditure, the other departmental output expenditure.

Crown expenditure trends have been influenced by three major factors over the period. These are:

- The restructuring resulting from the Remuneration Authority (Members of Parliament) Amendment Act 2002 which moved the responsibility for accommodation and mileage reimbursements away from the “Salaries and Allowances” to predominantly “Members Travel”, commencing in November 2003. This accounts for the projected decline in the salaries and allowances component through to June 2005.

- The full year impact of the 2002 Appropriations Review Committee which resulted in a 15% increase in some of the components of Party and Members’ Support funding.

- Travel costs decreased between June 2002 and June 2003 owing to increased competition in the industry driving costs down. While they appear to increase substantially in 2003/04 and (projected) in 2004/05, comparing MPs travel over these three years is difficult at best. The 2003/04 year includes only eight months of the new cost
allocation regime mentioned above (which now includes all MPs travel costs in the one line item, except for air travel) while 2004/05 includes the first full year of the new regime. The increase in the travel component between June 2004 and June 2005 also incorporates a trend of under-spending of this appropriation by $1 million in 2003/04. It is therefore difficult to compare historical information with the forward projection and it may be another two to three years before any meaningful comparison can be made.

Other items that have impacted on Crown expenditure are increases in funding for parliamentary Leaders’ offices and for Members’ Support allocations.

Parliamentary Service departmental output expenditure (aside from additional expenditure in election years) is driven by factors that have included new funding for out-of-Parliament health and safety and for salary and superannuation contributions. In the past two years funding has also been provided for the 150th anniversary of Parliament. Funding for enhanced security services and increased rent commitments have also contributed to expenditure growth.
Office of the Clerk

Increased spending on select committees has been a prominent item in spending by the Office of the Clerk, with growth in staff numbers largely for servicing select committees (a $1,462,000 ongoing increase in 2003/04) and enhanced services to select committees (a $1,000,000 ongoing increase in 2003/04).

Staff numbers are expected to remain static in the future.

In 2004/05 extra ongoing funding has gone into parliamentary publishing developments ($165,000 ongoing) and Hansard improvements ($190,000 ongoing).

The Office has continued a trend of reducing operating costs owing to lower printing costs as a consequence of the handing over of responsibility for printing legislation to the Parliamentary Counsel Office. This downward trend will cease in the current financial year as the Office’s printing arrangements stabilise and the cost of various workflow and publishing projects come to charge.

The 2003/04 financial year also saw an increase in funding to enhance Maori interpretation capability ($68,000 ongoing).

The following chart shows the pattern of expenditure over the past five years and incorporates the projected costs for the 2004/05 financial year.

### Office of the Clerk Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel</th>
<th>Operating</th>
<th>Depreciation</th>
<th>Capital Charge</th>
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<tr>
<td>30.06.00</td>
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<td>30.06.01</td>
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<td>30.06.05</td>
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</tbody>
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3.3 Members of Parliament: Out-of-Parliament offices

Of all the concerns presented to the committee, the one that featured most consistently was the resourcing of MPs’ out-of-Parliament offices.

Submissions made to the committee highlighted various shortcomings in the support arrangements for out-of-Parliament offices. Most of these, while identified in the 2002 review, are still outstanding.
The committee spent considerable time looking into the issues. We made a point of visiting a representative sample of the offices to see first hand how they operate, where the problems lie and what practical measures might be taken to overcome them.

In all, members of the review committee visited 28 Electorate and List MPs’ offices, representing some 20% of the approximately 140 offices currently operating. The visits covered locations from Invercargill to Kerikeri, rural and urban areas, both single and shared offices and a representative sample of office types and activity. Details of our visits are listed in Appendix 4.

**The Role of Out-of-Parliament Offices**

Our approach to this part of the review was strongly influenced by our understanding of the role of out-of-Parliament offices.

Historically, the purpose of funding offices for MPs in their electorates has been to provide the public with direct access to MPs and Parliament, and a base through which MPs could disseminate information to constituents and constituents could approach their MP. This remains their purpose today, as evidenced by MPs we spoke to, and in the functions the offices continue to perform.

Out-of-Parliament offices are, in other words, a key component of the democratic process. This is true whether the office operates primarily as a place for person-to-person contact with the MP or staff representative, or whether as a base for electronic communication between the MP and the public.

One of the main activities we observed as common to out-of-Parliament offices was providing a service to the community as a point of contact with Government, assisting people who have unresolved problems with the bureaucracy, who need advice on the best way to progress an issue or who simply seek information. The offices typically build up ‘on tap’ information resources and develop relationships with community organisations, local authorities, local managers of government departments and staff in Ministers’ offices. We understand staff also research and draft correspondence and newsletters for the MP, arrange meetings and visits and ensure the MP is fully briefed on numerous issues. Staff also arrange itineraries for visiting Ministers and liaise with the MP’s office at Parliament.

MPs attach great importance to these functions. Three MPs we talked with, collectively representing some 38 years in Parliament, were unanimous in the emphasis they placed on their ‘local’ office being a key focal point for representation, information and advocacy.

These activities all fit with the New Zealand democratic tradition. They help ensure that Parliament and Government are accessible to people and that people can be informed of the business of Parliament.
The committee recognises this interface between Parliament, MPs and the people as an important democratic principle. We do not question the justification for supporting out-of-Parliament offices with public funding.

**The Situation**

All MPs receive funding (the ‘Members’ Support’ allocation) primarily to meet the costs of operating an office away from Parliament. In the case of Electorate MPs, offices will be located in their electorate. All Electorate MPs have at least one office; some, with very large electorates, have three. In the case of List MPs, practice varies from having individual offices to shared offices in selected locations.

Although funded through Vote: Parliamentary Service and administered by the Parliamentary Service, expenditure on out-of-Parliament offices from Members’ Support Allocations (office rental, furnishings and fittings, office equipment, and office operations) is at the discretion of the MP. It is not controlled by the Parliamentary Service other than a requirement to conform with advice or rulings of the Parliamentary Service Commission and the Speaker.

Currently the MP rents the office and controls the funding spent on office set-up and operation, while the Parliamentary Service owns the office assets and employs the staff.

Out-of-Parliament office staff are employed by the Parliamentary Service, which has all the responsibilities and obligations of an employer in respect of the staff employed to provide support to MPs in their out-of-Parliament offices.

Approximately 180 full-time equivalent staff, plus on-call relieving staff, now work in approximately 140 offices around the country, encompassing a total employment of about 250 full and part-time staff.

While funding has been provided to employ staff, the lack of control of the funding available to properly manage, accommodate and support these staff continues to highlight the legal risk for the Parliamentary Service as employer, and to a lesser extent to individual MPs if it leads to industrial and/or safety issues. This is compounded by the lack of direct control of the workplace that is available to the Parliamentary Service as employer.

**The Issues**

Three issues stood out from our inquiries:

- The variable standard of out-of-Parliament offices as places of employment.
- The lack of connectivity between out-of-Parliament and in-Parliament information and communications technology systems.

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4 Other expenses covered by the allocation are postage from Parliament, printing in and out-of-Parliament, advertising costs relating to MPs and parliamentary political parties advertising their services or activities on parliamentary business and technology purchases.
Variable access for out-of-Parliament staff to training and development opportunities.

The committee found evidence of variable quality of premises (unsatisfactory working conditions and problems of public access) and outdated computer support (lack of connection between out-of-Parliament computing systems and the parliamentary network system and non-provision of computer support by the Parliamentary Service).

It was also evident to us that the training and development of, and for, out-of-Parliament staff is inconsistent at best. The opportunity for staff to access training varies considerably from office to office, and where training is offered by the Parliamentary Service it seems not to cover a number of important skill areas.

These are not new problems and have been of long-standing concern.

We believe it is essential that impediments to the provision of adequate working environments in out-of-Parliament premises be removed.

The committee believes leaving core aspects such as office standards, ICT and staff training and development to be decided office by office is no longer able to be justified. It is unacceptable practice to have out-of-Parliament staff employed in an environment that is not compliant with health and safety regulations, and illogical to have sharp differences between the working conditions for staff in Parliament and those in out-of-Parliament offices. There is no reason out-of-Parliament office conditions should be compromised.

Although some staff are provided with a good standard of accommodation and equipment, we found this is not universally the case. It is not uncommon to find offices with poor security (locations that are unsafe after hours and lack an alternative exit for emergencies), poor basic facilities (such as no hot running water) and cramped for space. Some are quite shabby in appearance, which might have sufficed in past times, but does nothing for the image of a modern Parliament.

Offices that limit access for the public, such as those that are upstairs or in back streets, is another concern. These fail the test of functioning properly as part of the democratic process, in terms of the principles for resourcing Parliament we set out in section 1.4 above.

We further believe that offices with these sorts of defects are not good places for MPs to work from, nor for the public to visit, and certainly do nothing positive whatsoever for enhancing the public perception of Parliament.

A Solution

We regard the problems as two-fold:

- While the Parliamentary Service is the employer of out-of-Parliament staff, the MP has been responsible for the choice of premises.
The impact of the vastly differing rents MPs face across the country. We note that Members’ Support allocations are the same for all Electorate MPs, irrespective of the size of electorate or the costs of office accommodation. Electorate MPs can struggle to service their electorates from the present entitlement of two out-of-Parliament offices. Some face the prospect of renting a third or even a fourth office. MPs, not just in metropolitan locations, face difficulties posed by high rents. These situations present the MP with the dilemma of deciding priorities when rent swallows up a major share of the budget. List MPs can also face rent barriers for out-of-Parliament offices. This produces significant disparities in the quality of service provided to the public.

We see the solution lying in a change in responsibility for the provision of out-of-Parliament offices.

We propose that the Parliamentary Service take full responsibility for providing and operating the out-of-Parliament office accommodation where its employees work.

The premises, fit-out and furnishing, office equipment, computer network and linkages to Parliament would be provided to a standard and space entitlement in line with modern practices. We believe the standard should be similar, and at least not inferior, to the office accommodation provided for staff in front-line government agencies.

This responsibility would be exercised in full consultation with MPs, under the overall direction of the Speaker. We would envisage that in the event of a difference between the Parliamentary Service and the MP over appropriate premises the first ‘appeal’ would be to the MP’s Senior Whip and from there, if necessary, to the Speaker.

Funding for out-of-Parliament office accommodation would then become departmental funding, administered by the Parliamentary Service. Because we are not proposing any reduction in the Members’ Support allocation, there would be a net cost to the Parliamentary Service for taking over leases, facilities (building, fit-out, furnishing, office equipment and computers) and staff support for Parliamentary Service employees working in out-of-Parliament offices.

There is a pressing need for out-of-Parliament ICT networks to become fully integrated with the Wellington parliamentary campus network, and provided with support similar to the support provided for ICT within Parliament. The benefits of investment in new technology will be limited if new technologies are not accessible for MPs and staff working from their out-of-Parliament offices. Our proposals for integrating ICT, set out in section 3.9 below, should allow this to happen much more easily than under the present split responsibilities.

We also consider the time has come to work towards standardising the equipment and furniture provided in out-of-Parliament offices so that all offices are equipped to a consistent standard. Our view is that ultimately the only equipment and furniture in out-of-Parliament offices should be
that which is Parliamentary Service-approved, meeting standard criteria. When equipment and furniture are replaced, old items would be disposed of and not left to accumulate. A protocol could be developed for this.

We considered the case for reducing existing Members’ Support allocations by amounts equivalent to notional rent costs – probably the average rent paid by Electorate and List MPs. After giving this prospect considerable thought, and taking further account of overall Party and Members’ Support allocations, we concluded that Members’ Support allocations should remain unchanged (at $66,000 for Electorate MPs and $42,000 for List MPs). This logically represents an effective increase in funding support for MPs.

We discuss this in more detail in section 3.4 below.

**Benefits**

It is important to emphasise that our proposal is designed, first and foremost, to ensure an adequate and consistent standard of out-of-Parliament offices which at least complies with the law.

Along with that go two important objectives:

- Eliminating legal risk to the Parliamentary Service relative to employee working conditions.
- Enhancing democracy by improving the scope for Electorate MPs to carry out electorate work, and for List MPs to provide points of contact for the public and for the constituencies of interest that look to the List MP for representation.

Other benefits of our proposal are that it:

- Installs checks and balances into the equation of proper office provision and cost management, and appropriate protection of the taxpayer interest.
- Improves safety and security for the MP and staff working in the out-of-Parliament office.
- Provides an effective increase in the Members’ Support funding allocation to MPs.
- Allows out-of-Parliament computer systems to be made compatible with and integrated into the in-Parliament ICT network, with appropriate security protections, in turn enhancing the ability of MPs to work more effectively from their out-of-Parliament offices.
- Should help ensure that a more consistent quality of service is provided to the public from out-of-Parliament offices.

We believe our proposal will have particular benefits for larger electorates, including Maori electorates, because of the improvements it offers in terms of linking out-of-Parliament offices to Parliament and the scope it provides for MPs to make a case for additional offices that, if provided, would be of a proper standard.

The table below summarises the key features of our proposal.
Leasing of premises

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.

Costs

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.

Office equipment

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.

Members’ Support allocations

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.

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

MP identifies appropriate premises (PS to assist if requested)

Do premises meet health, safety and security selection criteria?

Yes

PS negotiates proposed lease with building owner

No

Valuation does not confirm proposed rental

PS will arrange valuation

Yes

Valuation required?

No

PS confirms lease and rental suitable

No

PS advises MP

Dispute procedure employed

Yes

PS signs lease

PS commences payment of rent from Vote: Parliamentary Service

PS liaises with MP on office establishment, furniture, and equipment. Exterior signage as per standards set by Speaker
Other Issues

The committee considered a number of other issues associated with our proposal.

- **Additional offices**

Electorate MPs are currently funded for two out-of-Parliament offices and List MPs for one. There are however circumstances in which additional Electorate offices may be justified – for example, in Maori and the large geographically spread electorates and perhaps in a more urban electorate with a number of very distinct communities.

We propose that if a need is seen for additional offices, requests be submitted to the Parliamentary Service Commission for a decision, and be accompanied by a business case. The Commission, we believe, is best placed to develop policy and criteria relevant to the appropriateness of the business case.

We note that co-location of offices appears to be increasing, as a way for MPs to secure greater geographical coverage within their support entitlements. Along with mobile offices (on which we comment below) we see this as an alternative for additional offices, and something for the Commission to take into account and, in some circumstances, perhaps encourage.

- **Signage**

Out-of-Parliament offices are typically presented (sometimes aggressively so) in the colours and/or the “brand” and signage of the political party each MP represents.

We believe that consistent with the purpose of out-of-Parliament offices as part of the democratic process, and with the fact that they are publicly funded, décor and signage should be standardised. Consideration should also be given to establishing a parliamentary ‘brand’ for out-of-Parliament offices.

We think this would be an enhancement to democracy. It is vital that all citizens feel comfortable about using the services of an out-of-Parliament office, regardless of their political persuasion. People should not be put off visiting an out-of-Parliament office by a perception that the office is for political party purposes. We suggest the Parliamentary Service Commission determine what the appropriate standard should be.

- **Party and MP-owned premises**

The committee is aware that a number of existing out-of-Parliament offices are located in buildings owned by the political party, and some by MPs. The committee generally felt that these ought to come up to regulatory standards anyway, so it should not be too much to expect that they move towards complying with all
appropriate regulations criteria and thus become suitable for continued lease by the Parliamentary Service (or, for that matter, by others in the renting market).

- **Mobile offices**

  The committee is aware that mobile offices are an option for some MPs, as a potentially efficient way of covering a wide geographical area and also, in turn, enhancing access to democracy.

  Our main concern is the working environment for staff, from both a health and safety and a ‘good employer’ perspective.

  We note also that décor and signage may, as with fixed-location offices, affect people’s willingness, as citizens, to make use of mobile offices. While we support mobile offices as bona fide places for contact with the public, we do not consider they should be used for overt political campaigning.

  We propose that the same principles apply to mobile offices as to fixed-location offices in terms of standards and signage, and that the Speaker and Parliamentary Service Commission decide on the most practical way to put these into effect.

- **Electronic networks and computers**

  Submissions to the committee from MPs indicated frustration with the lack of interface between out-of-Parliament and in-Parliament information and communications networks, and the lack of computer support, from computer purchases to servicing and help desks. These complaints were echoed by virtually all staff in the out-of-Parliament offices we visited.

  As we note in our discussion on ICT (section 3.9 below), the Parliamentary Service now has Parliamentary Service Commission approval to adopt a new network system that integrates out-of-Parliament and in-Parliament systems. This is designed to solve the interface problems and ensure proper servicing.

  Our proposal for the Parliamentary Service to take on the responsibility for office set-up including equipment, as a key part of Parliamentary Service leasing arrangements, will resolve the purchase of computers.

  As a separate matter, some MPs expressed dissatisfaction with the lack of support from the Parliamentary Service, and lack of connectivity, for their home computers. We were advised that the Parliamentary Service cannot carry this responsibility because of the uncontrolled use of home computers and the consequent risk to the parliamentary network. We agree with this advice.
Transition

We would see the change in leasing responsibility being phased in over a period that does not extend beyond the next two election cycles.

The committee sees the transition as being implemented broadly as follows. A practical approach should be taken, while ensuring that implementation proceeds steadily and with a clear end-point.

- In respect of new MPs elected at the next General Election, the Parliamentary Service would have responsibility for leasing premises, following the steps in the chart on page 25, *Steps for Leasing an Out-of-Parliament Office*.

- In cases where new MPs would expect to take over the offices of retiring MPs, the transition would be a matter of consultation with the Parliamentary Service. Simply rolling over sub-standard offices would not, however, be permitted.

- For re-elected MPs, the Parliamentary Service would take over leasing responsibility at the expiry of the present lease (which as we understand it generally coincides with the General Election). Timing would have a degree of flexibility.

- For all MPs, a progressive move towards standardising, and where necessary upgrading, the equipment provided for out-of-Parliament offices. As each out-of-Parliament office came within a Parliamentary Service lease, the Parliamentary Service would make any investment required to bring equipment up to standard.

Cost Impact

In the last financial year, the Parliamentary Service paid a total of $1,554,000 in rent for out-of-Parliament offices, charged against Members’ Support budgets. In addition to that, Members’ Support budgets incurred a total of $368,000 in depreciation charge for the assets deployed in out-of-Parliament offices. This included depreciation on assets that would be transferred to the Parliamentary Service as departmental expenditure under our proposal (furniture, photocopiers and PCs for example), and on assets that would not transfer (discretionary items such as laptop computers, for example, which would be excluded). An estimated two thirds of current depreciation could be transferred to the Parliamentary Service.

Under our proposal a sum of approximately $1.8 million (the total of rent and a proportion of depreciation costs, in present terms) could be taken out of members’ expenditure.

This represents an overall effective increase of approximately 12% in the total of Party and Members’ Support funding. In section 3.4 below, we comment on the reasons we believe this increase is justified.
Our out-of-Parliament proposal has no actual impact on Crown expenditure, given that we propose Members’ Support allocations stay unchanged at $66,000 for Electorate MPs and $42,000 for List MPs.

There is however a net fiscal impact on Vote: Parliamentary Service on departmental output expenditure as a result of the Parliamentary Service taking over the provision and funding of premises. At $1.9 million, this is not large in the first instance, but can be expected to increase over time as the objective of improving out-of-Parliament office standards is achieved. This will eventually show up in higher rents and equipment costs. The committee believes this is a legitimate cost for reducing the risk inherent in the present system.

There are obviously a number of details that need to be worked through for implementation. We envisage that the Speaker, in conjunction with the Parliamentary Service Commission, would complete associated protocols and guidelines to enact our proposal. We do anticipate that the new role for the Parliamentary Service in leasing out-of-Parliament offices on behalf of MPs will entail a particular appreciation of service provision.

**Out-of-Parliament Office Recommendations**

We recommend that:

(a) The Parliamentary Service take over responsibility for leasing, furnishing and equipping out-of-Parliament offices.

(b) The choice of office for MPs be determined, in the first instance, by the MP concerned, subject to meeting the required standards and being within reasonable cost parameters for the location concerned.

(c) The transition to the proposed arrangements be such as to ensure that all out-of-Parliament offices be phased into the new system over a period not extending beyond the next two election cycles.

(d) Out-of-Parliament premises meet normal health and safety standards, comply with all regulatory requirements and align with the standard of front-line government offices.

(e) In the event of a dispute arising between the MP and the Parliamentary Service on the choice of premises the matter should be referred to the Senior Whip of the party concerned and the General Manager of the Parliamentary Service; and if they are unable to agree, the matter shall be referred to the Speaker whose decision will be final.

(f) The Parliamentary Service departmental appropriation be increased by the amount necessary to fund rent and relevant depreciation costs.

(g) The amount appropriated for Members’ Support, and the level of individual member allocations, be left unchanged.
(h) Equipment and furniture provided in out-of-Parliament offices, including basic computer hardware and software, be of a common standard.

(i) Provisions governing branding and signage, additional offices and mobile offices be developed by the Parliamentary Service Commission.

(j) A protocol including guidelines to implement the new leasing arrangements be developed by the Speaker and Parliamentary Service Commission, by the end of the first quarter of 2005.

In making these recommendations we are aware that a number of offices are already of an acceptable standard and comply with regulations. These offices will be unaffected by our proposals.

3.4 Parliamentary Party and Members’ Support

Leaders, Whips Office and Members’ Support

Funding is provided to the parliamentary parties and to individual members for the purpose of enabling them to carry out their roles in the parliamentary system. The three components of party and Members’ Support are:

Leaders’ Funding

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

Amount: $50,000 base 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: $66,000 for each Electorate MP; $42,000 for each List MP.

The $50,000 base per party in Leaders’ funding was added subsequent to the 2002 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 category. Aspects highlighted were:

- A case for increased funding for smaller parties, to recognise the ‘dis-economies of scale’ they face in being expected to handle a wide range of policy issues without the number of MPs and the bigger budgets 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 suggested by some that the differential between the Members’ Support allocations for Electorate and List MPs should be closed.
- Some submissions identified what were believed to be “unfunded” expenditure on legitimate parliamentary-related activity. (The committee took advice on these and ascertained that current budget allocations did in fact cover the identified items.)
- A view that Electorate MPs should be able to afford two mail-outs to their constituents a year, from their support budgets.
- Vehicle reimbursement provisions were thought by some to be insufficient. (We were advised by the Parliamentary Service that current allowances are the same as recommended by the Automobile Association, which we consider to be adequate.)
- Some submissions advocated less detailed monitoring of receipted expenditure under the ‘actual and reasonable’ expenses regime adopted with the abolition of electorate allowances in 2003. Our inquiries suggested the system was working reasonably well and was consistent with practice in corporate and other arenas.

The most pressing need, expressed universally in 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.

We saw the rent component of out-of-Parliament offices as a priority target for any increase that might be mooted for party and Members’ Support. We have addressed this directly in our proposal for out-of-Parliament offices, described in detail in section 3.3 above.

We take the same view as the 2002 review committee, that channelling additional funding into Members’ Support allocations has the most beneficial impact on activities that are central to the democratic process. It means more resources going directly to Electorate MPs to support their role as electorate representatives, and to both Electorate and List MPs to support their respective roles in the interface between Parliament and the public.
In essence, we see our out-of-Parliament office proposal as directly empowering MPs, they being able to use the additional funding for their particular priorities (subject to the guidelines set out in the Members’ Handbook).

We note, as did the 2002 review committee, the opportunity parties have to ‘pool’ Members’ Support funding, subject to the agreement of individual members. This allows parties considerable flexibility in how overall funds are deployed. They may, for example, choose to direct pooled funding to research, as some parties do. The same flexibility will continue.

Given the scope for parties to make collective decisions about deploying their resource entitlements, we do not propose to go beyond the approximate 12% increase in overall Party and Members’ Support funding represented by our out-of-Parliament office proposals. We propose therefore that the Leaders’ and Whips’ Office allocations remain unchanged.

**A Freephone Service**

The 2002 review committee recommended that a freephone service be trialed for Electorate MPs in the larger electorates, defined at the time as Group F and Group G in the Classification of Electoral Districts.

The intent was to address the issue of communication costs in larger electorates and to overcome any sense of isolation and disadvantage for constituents in the larger electorates. The 2002 committee saw its use restricted to electorate work, with the service connected to the MP’s electorate office. It would not be able to be used for political party-related work.

We were advised that the trial did not proceed after the Parliamentary Service Commission sought an analysis of the telephone activity of Electorate MPs in Groups F and G, which showed that a freephone service might carry a significant cost. The Parliamentary Service is awaiting further information.

The issue remains that many constituents in electorates with multiple tolling areas face toll charges when telephoning their MPs. We think it goes to the heart of our parliamentary democracy that a constituent be able to telephone their local Electorate MP without facing the deterrent of a toll charge.

Our conclusion was in favour of the freephone service being introduced for Electorate MPs.

A question that will consequently need to be resolved is where the cost should fall. If it was to be a charge on the Parliamentary Service communications budget, which is uncapped, it is hard to see how the cost could be managed. An alternative would be to make appropriate provision in the Members’ Support allocation and expect the MP to ensure usage comes within budget. Provisions may be needed to help ensure this, for example to protect against orchestrated mass calls from the public.
Parliamentary/Political Advertising

Our attention was drawn to the tendency for some parliamentary political parties to increase the level of advertising, and therefore spending, towards the end of the financial year. Some or all of this comes from funding provided through the Members’ Support allocations and Leaders’ office funding, designed to allow individual members and parliamentary political parties to advertise their services or activities on parliamentary business.

The use of Members’ Support allocations and Leaders’ office funding for advertising is permitted, provided it meets the requirements set out in the Members’ Handbook which defines ‘parliamentary business’ and includes the requirement that any advertising displays the parliamentary crest and all contact details.

The Controller and Auditor-General is currently looking into issues associated with parliamentary and government publicity. We were briefed on the terms of the inquiry and did not see a need to investigate this ourselves. We do note that the inquiry is considering the impact of MMP and that it acknowledges that dialogue between elected representatives and the public is a valid and fundamental aspect of the democratic process.

Recommendations: Party and Members’ Support

The committee recommends that:

(a) Members’ Support allocations remain unchanged at $66,000 for Electorate MPs and $42,000 for List MPs with the introduction of the proposed new arrangements for leasing and equipping out-of-Parliament offices.

(b) Leaders’ and Whips’ Office funding remain unchanged.

(c) 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.

3.5 Maori Members of Parliament

The advent of MMP has seen the representation of Maori in Parliament increase significantly. The figures show a distinct progression:

<table>
<thead>
<tr>
<th>Period</th>
<th>System</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993 – 1996</td>
<td>(FPP)</td>
<td>7</td>
<td>7.1%</td>
</tr>
<tr>
<td>1996 – 1999</td>
<td>(MMP)</td>
<td>16</td>
<td>13.3%</td>
</tr>
<tr>
<td>1999 – 2002</td>
<td>(MMP)</td>
<td>16</td>
<td>13.3%</td>
</tr>
<tr>
<td>2002 - 2005</td>
<td>(MMP)</td>
<td>20</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

The committee felt it was important to seek a Maori MP perspective on whether there were any aspects of support services for Maori MPs that warranted our specific attention.
Out-of-Parliament Support for Maori MPs

The main issue raised with us was that of the seven Maori seats, the majority are large, geographically dispersed and extensively rural. The most obvious example of this is the electorate of Te Tai Tonga, covering the whole of the South Island, Chatham Islands, Stewart Island and parts of greater Wellington.

While the costs of travelling around electorates are fully covered for all MPs by existing air and vehicle allowances, in some respects MPs in Maori seats incur particular costs that arise from engaging with their constituents.

One point made to us was that engaging Maori people in the parliamentary process may sometimes require active support from the Maori MP, for example, helping overcome perceived barriers to making submissions, approaching Ministers and so on. Helping ensure Parliament is seen as relevant to Maori is a special role for the Maori MP.

A number of the suggestions made to us about providing more support for Maori MPs are addressed by proposals we have made on out-of-Parliament office provision, Members’ Support and a freephone service. Particularly:

- Provision of out-of-Parliament offices – under our proposals out-of-Parliament offices would, over time, be made more accessible to constituents; and our suggestion of allowing MPs to make a special case for additional offices may be of benefit to Maori MPs. Co-location is already increasing their accessibility.
- Members’ Support funding – we propose leaving more funding in the hands of MPs, which they are able to assign to their particular priorities.
- We have proposed provision of freephone service for MPs in large electorates with multiple tolling zones.

These provisions, we anticipate, would go a considerable way towards supporting Maori electorate MPs in maintaining contact with their constituents and helping ensure Maori people’s participation in parliamentary democracy.

In-Parliament Support for Maori MPs

MMP has seen greater responsiveness to Maori in the services provided within Parliament. One of these is the introduction of a Maori interpretation service, available in the House and select committees. The interpretation unit has two staff. While we understand the service is under utilised, we believe it has been an important move towards recognising New Zealand’s legal responsibility to enable people to transact business in the Maori language. The interpretation service supports the functioning of Parliament in the 21st century.
One possibility for the future is that the interpretation service could become more engaged in translating documents. This would, for example, allow select committee reports, petitions and other parliamentary documents to be presented in both languages as may be appropriate.

We support the maintenance of the present basic interpretation capability and would like to see it being able to respond to other uses and opportunities as may emerge.

We were not presented with any other specific improvements to support Maori MPs in Parliament. We suggest that future triennial reviews keep this area under review to ensure Maori MPs are fully supported, having regard to the particular demands of their electorates.

**Recommendation: Maori Members of Parliament**

We recommend that:

(a) Resourcing for the Maori interpretation service within Parliament be continued, and opportunities for the service to be used in a wider range of parliamentary business be acted on as they arise.

(b) The review committee’s proposals for out-of-Parliament office provision, Members’ Support funding and freephone service be noted as enhancements to the support available to all Electorate MPs, and as having particular benefit in large Maori electorates.

(c) Future triennial reviews keep support for Maori Electorate MPs under review, having regard to the particular demands of their electorates.

### 3.6 Changing Demographics

The first MP of Pacific Island ethnicity entered Parliament in 1993. More recently MMP has helped in increasing, albeit slowly, the number of MPs of other than Maori and European origin.

There were no submissions which raised specific issues relating to support services for such MPs. We are aware, however, that communities and emerging concentrations of peoples of various Pacific Island and Asian origin are making heavy claims on MPs having such origins. Indeed they are the focus of much of the work of such MPs.

Electorate MPs of Pacific Island origin are often called on to respond to communities in other parts of New Zealand, often distant from their own electorate.

List MPs of both Pacific Island and Asian background are expected to provide services to people of related ethnicities all around New Zealand.

While we make no specific recommendations for the coming triennium, we expect that our major recommendations will give some scope for improving access for, and service to, people of Pacific and Asian ethnicities – at least in those parts of New Zealand where there are significant concentrations of such peoples.
We would expect that by co-locating offices and perhaps, with some party funding support, a second or other office presence might be possible.

**Recommendation: Changing Demographics**

We recommend that:

(a) Future triennial reviews keep support for MPs of non-Maori and non-European ethnicities who are required to attend ethnic communities under review, having regard to the particular service needs of such communities.

### 3.7 Communications: Printing and Stationery

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 use 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.

**Recommendation: Printing and Stationery**

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.
3.8 Office of the Clerk

The Statement of Intent for the Office of the Clerk indicates that the Office is expecting a stable parliamentary environment over the next two or three years, with no major procedural or organisational changes to parliamentary business anticipated. This period of stability provides the Office an opportunity to plan improvements and efficiencies to its services.

The Office has a number of developments underway that we strongly endorse. These have required, or will in the near future require, additional resources in either, or both, Vote: Office of the Clerk and Vote: Parliamentary Service (departmental outputs). Developments include:

- The parliamentary website upgrade (elaborated upon in section 3.9 below).
- Live televising of Parliament (see our comments in section 3.9 below).
- The electronic select committee project (see below).
- Video conferencing for select committees (see below).
- Enhanced publishing systems for parliamentary documents (the Order Paper, select committee reports).
- Enhancements to the Hansard system, building on the computerisation of Hansard production in 2003 and including automated indexing and introduction of voice recognition.
- A public education programme.

We regard these as well-targeted and forward-looking investments.

We have noted previously the major influence technology has had, and will continue to have, on the environment and operation of Parliament and MPs. As the projects listed above show, the Office of the Clerk is no exception.

We are pleased to note that the Office of the Clerk and the Parliamentary Service are working in partnership on several major new initiatives. In the section on ‘Technology Management and Planning’ below we elaborate on our view that integration of ICT systems and approaches is very necessary if the full gains are to be made from new investments.

Here we have chosen to comment in more detail on two developments of significance to select committees, and an additional one we believe could be considered in the coming triennium. We discuss the website and televising projects later in the report.
The Electronic Select Committee (e-committee)

With the Office of the Clerk moving into an increasingly electronic environment, considerable gains are anticipated in the efficient and effective operation of key aspects of parliamentary business.

Among new technology projects that are underway is the pilot electronic select committee project. The pilot is testing the concept of the ‘e-committee’ in two select committees, the Education and Science and the Health committees. We are told this will provide MPs with easier and quicker access to select committee documents both from within the parliamentary complex and from other locations. The project involves:

- Disseminating committee papers electronically to members and allowing them to access papers from remote locations.
- Developing means of receiving submissions electronically, processing them and presenting processed information about them to committee members.
- Posting committee proceedings to the website following a committee’s report to the House.

The pilot system is expected to go live to the two committees in March 2005 and to be extended to all select committees if it is successful.

We appreciate this project is a major undertaking and commend the Office of the Clerk on the initiative. Among the benefits is the potential to allow vastly superior search capacity for select committee documents. It may also improve the timelines for processing information to MPs and reduce the amount of printed paper produced in the course of committee work – provided MPs opt for accessing submissions and other select committee material on their own PCs, both in Wellington and in their out-of-Parliament offices, and from their laptops when mobile. Provision of hard copy of submissions and other select committee documents, however, must continue to be available to MPs at no cost to the MP.

Particularly important in our view is the scope for enhancing public access to select committee information which will be on the website once it is released.

If the pilot does prove the case for extension to all select committees, sizeable funding will be required to implement it. We note that funding for MPs will be a matter for the Parliamentary Service.

The next triennial review committee will have the opportunity to review this significant development and comment on the outcomes.

In our later discussion of information and communications technology, we suggest the e-committee project should come within the ambit of the work on strategic direction which we propose be lead by the Chief Information Technology Officer, a new position.
**Video Conferencing**

The 2002 review committee urged progress on video conferencing of select committee proceedings. We were pleased to learn of the increasing use of video conferencing in the last two years, and the large positive impact this has had. The overwhelming success of the first set of fixed video conferencing facilities installed in select committee rooms in 2002 has led to the acquisition of a second set of equipment. We understand that in 2005/06 two large select committee rooms will be provided adjacent to Bowen House, with scope to incorporate video conferencing and other advanced features. These two rooms will be additional to the existing room and to the mobile facility.

Video conferencing is undoubtedly a major breakthrough in the opportunity to hear evidence from the public and has even enabled committees to hear evidence and receive advice from other countries. It is also resulting in significant savings in committee travel costs and savings in the time staff and MPs need to be away from Parliament.

This is indeed a worthwhile investment.

**A Future Select Committee Hansard?**

The New Zealand Parliament has not traditionally recorded the proceedings of select committees. We were advised that some 10 percent of Hansard recording is now of select committee proceedings, but the record is not generally published, and recording and publishing is a matter for each select committee to decide.

Select committee proceedings are an important contribution to public debate. It has often been said committees are where the ‘real work of Parliament gets done’. We would like to see their proceedings captured on a systematic basis through some form of Hansard. This would have the benefit also of making the work of select committees more visible.

While the practice of recording select committees seems likely to grow incrementally if left to committees themselves, it seems to us the time has come to give consideration to a more defined means of achieving this end. We are not convinced it has as high or immediate a priority as other initiatives requiring extra spending, such as technology and televising - however, we would not like to see the idea languish.

We suggest the development of a select committee Hansard proceed in steps, with the first step being to make select committee Hansard records publicly available as they are produced. This will mean some additional resourcing, and provides the opportunity to evaluate the benefits and assess how a fully fledged select committee Hansard might work.

We think the record should be available at least on the parliamentary website. We do not have a strong view on whether it should also be printed, but on balance think website access would suffice as the practice of producing a select committee Hansard evolves.
Structure

Later in our report (section 5.3) we comment on the prospect of merging some of the roles and functions of agencies in the parliamentary complex. We have considered the Office of the Clerk as a potential participant in such an exercise although we do not have any pre-determined view of the outcome.

Recommendations: Office of the Clerk

We recommend that:

(a) Funding be committed to the projects listed above that are not already funded to the level required for implementation, subject where necessary to submission to the Government of detailed, fully costed business cases.

(b) Select committee Hansards be published on the parliamentary website as and when they are produced.

(c) The publication of select committee Hansards be monitored and evaluated for the potential to extend Hansard coverage to all select committee proceedings.

3.9 Information and Communications Technology

A major influence on Parliament is, as in every walk of life, the increasing expectation that information will be increasingly more accessible, more up to date and more searchable and that communication will be fast, efficient and have wide reach. The technology to do this will continue to be a significant area for investment, with returns in the form of benefits to:

- The operations of Parliament, allowing the institution to work better and more cost-effectively
- The processes of Parliament, supporting parliamentary business and public participation
- The way MPs work, using technology to access the information they need in their legislative and representative roles, and to communicate with people and interests in the community.

Information and communications technology (ICT) is thus an essential tool for members of Parliament and for the operation of Parliament. Remaining abreast of contemporary developments in ICT is vital, as is the coordination of ICT services.

Before going on to discuss ICT developments, we suggest it is important to place the technology in context.
**Technology in Context**

We subscribe to the view that ICT is a business enabler, it is not the business itself. In the case of Parliament, ICT should be seen as an enabler of the processes of Parliament.

We believe there is a balance to be achieved between this and ensuring Parliament and members are provided with up-to-date technology appropriate to a modern Parliament. We think investment in ICT should not necessarily be at the leading edge, but neither should it lag too far behind.

The question the committee asked was: “does the technology help the member of Parliament or Parliament itself to communicate better or to do the job more effectively?”

We considered instances where efficiency may appear to be advanced by technology, but effectiveness may not. For example:

- The impact of communications technology on the fundamentally important representative role of an MP, particularly the traditional face to face contact with citizens.
- The risk of technology shaping the job rather than vice versa.
- The risk of ICT dominating expectations about the speed of communication and access to information.
- The potential for large volumes of undigested information, accessible through technology, to displace judgement or impair, rather than improve, decision-making.
- The impact of communication ‘any time any place’ – does there come a point where being instantly accessible is counter-productive?

On the other hand:

- Technology, appropriately applied and used, can vastly enhance the productivity of organisations and people.
- It is driving huge change in society and institutions, and Parliament will need to keep pace in order to function in, and relate to, the outside world.
- MPs are increasingly technology-literate and see technology as a tool of trade. They increasingly expect to be equipped with technology on a par with other corporate environments.
- An increasingly technology-literate public will expect to be able to interact with Parliament and their members of Parliament using up-to-date electronic means.

The committee favours the timely introduction of new technology, provided that it is not looked upon as a substitute for the person-to-person interface that is so important to the health of our democratic system.
Technology Support for Members of Parliament

The Parliamentary Service 2004/05 Statement of Intent includes the following outcome for information and communications:

“Members can conduct their parliamentary business from anywhere in New Zealand.”

The rationale for this is given as:

"Members of Parliament are intensive users of office and communications technology of all types. The goal of Parliamentary Service support is to provide the tools necessary for members to undertake parliamentary business both at Parliament itself and anywhere in New Zealand ... “

Expert advice given to us on where ICT might go in the future presented a picture of an advanced technology environment for Parliament.

In this future environment we can expect:

- Systems to be designed to support people and processes, rather than being designed around organisational structures.
- Increasingly technology will be more about mobile devices, and these will become more complex. This creates support challenges which the parliamentary organisation is not ‘dimensioned’ to meet. Current funding models allow members to purchase technology from their support budgets.
- Parliamentary clientele will be (and already are) increasingly ‘techno savvy’, with high expectations of the technology they should be able to access.
- Future technology will involve:
  - Mobile voice and data to support the ‘currency’ of politics, communication. The target is a moving one. Communication via face-to-face video conferencing will be very important.
  - Voice systems which are maturing to the point where the existing parliamentary system will not be able to keep pace. Many features and facilities able to be delivered rely on integration with computer systems (convergence) and wireless networks able, for example, to forward an internal telephone extension to a laptop or PDA (personal digital assistant).
  - Wireless networks will become an integral part of the working environment. The ability for a person to connect with their network resources from any part of the building at any time will become a requirement of the parliamentary computing environment. This technology has already been adopted in the Victorian Parliament.
Technology Management and Planning

A large resource is deployed in managing five separate, and in some cases incompatible, ICT systems, operated by five different agencies, within the parliamentary complex: Parliamentary Service, Office of the Clerk, Ministerial Services, Parliamentary Counsel Office and the Department of the Prime Minister and Cabinet. The management of ICT systems is, in other words, largely based around organisational structure rather than key activities, functions or clients (especially Ministers and MPs). It is our belief that this is unsustainable in the long term.

We note and support the Government's intention of seeing progress made in respect of information technology in the parliamentary complex, as indicated in the extract we quote earlier (section 2.3) from the Year to June 2005 Statement of Intent of the Office of the Clerk:

“...The Government recently required the Office of the Clerk, the Parliamentary Service, Ministerial Services and other agencies in the parliamentary complex to develop jointly a parliamentary IT strategy.”

The key factor in our view is the need for organisational integration of ICT development and provision. We believe this is an area of significant risk.

We believe that five systems operating within the parliamentary complex is, prima facie, too many. It seems inevitable that, if these five systems continue to be developed on separate paths and at different paces, problems of incompatibility and overall effectiveness will compound and become ever harder to manage and direct.

Out-of-Parliament networks also need to become fully integrated with the Wellington parliamentary campus network and fully supported in the same manner as the parliamentary offices.

The objective should be to ensure seamlessness across the systems. By this we do not mean that the individual ICT systems need to become, literally, one. We are, rather, concerned to see integration of the underlying infrastructure and of ‘commodity’ desktop applications such as necessary to allow the systems to work across organisational boundaries. There is a clear case for each agency to maintain core, specialised ICT business applications that are unique to the agency. The Office of the Clerk is one example, with such activities as the production of the Order Paper and Hansard, and the operation of e-committees, requiring specific technology support.

While we are not proposing how this should be done, the first step is logically to identify what the system needs to be able to deliver, focusing on functionality and designing it around key processes, rather than around organisational structure as it is at the moment. It should be a “form follows function” approach.
The committee strongly urges that work to plan and manage ICT be given high priority, with results being sought sooner rather than later. The status quo reduces both efficiency and effectiveness. Inoperability problems are not a good foundation for preparing to meet the expected future demand from citizens, MPs and their support staff, or for taking advantage of the opportunities afforded by ICT innovation. The present artificial divisions create cost and make no logical, operational or financial sense.

We do not see ourselves as having the brief or the expertise to say what is the right structure for the future. We did however arrive at the following conclusions:

- The type of structure needed for the future is, in our view, best decided as a cooperative initiative among the five agencies with a focus on streamlining overall ICT planning and management and on resolving compatibility issues.
- This will require leadership. We propose that a new position be created, that of a Chief Information Technology Officer (CITO) who would be responsible for developing the strategic direction, overall development and operation of ICT within the parliamentary complex and for maintaining momentum.
- The terms and conditions of the person’s employment would most probably be developed between the Parliamentary Service and Office of the Clerk. The Parliamentary Service should be funded to support the position and the associated costs.
- The position should run for a term of possibly three years. A fixed term appointment is in line with our view of the role as being a catalyst for change rather than as a permanent feature.

The CITO role, as we envisage it, is a significant and challenging one. Success would be measured by achieving material progress towards integration of the five ICT systems. To do this, and permit the necessary overview of the systems of the five agencies, requires direct reporting to decision-makers. One possible option we considered was to have the CITO report jointly to the Speaker, the Prime Minister (as Minister Responsible for Ministerial Support) or the Leader of the House, and the Minister for State Services; and for those Ministers to form an overview panel. Other reporting arrangements could be considered, provided that the CITO has the authority to act decisively which, in our view, is essential for progress to be made.

We envisage that the CITO would lead and facilitate a group comprising the CEOs/General Managers of each of the five agencies. The group could have representations made to it from users. It may be useful to seek assistance from the State Services Commission’s E-Government Unit.

A key quality for the CITO appointment will be an understanding of technology both as a tool for supporting the work of Parliament, MPs and Ministers, and an enabler of an organisation’s operational systems. These two dimensions are of equal importance.
If the above proposal proves unacceptable for any reason whatsoever, we strongly recommend as an alternative that real commitment to ongoing progress on an integrated ICT system be measured via the achievement of unambiguous targets included within the relevant Chief Executive’s performance agreements.

Having stated the alternative, we reiterate our strong ‘first instance’ preference that to ensure appropriate progress, the CITO option be enacted for a minimum two-year period.

We are mindful that a significant increase in the scale and scope of computing support for members will require additional funding. We see the issues as being not only funding major ICT development, but ensuring it is tailored to the purposes of Parliament and introduced in a secure and reliable way. Systems security, in particular, will be a major consideration in moves to integrate the parliamentary complex ICT systems in the parliamentary complex and including out-of-Parliament offices.

Technology and the Public

Technology also of course plays a key role in making information about the proceedings of Parliament more accessible to the public, easier to find and available more quickly. Electronic publishing and Internet technology have major advantages in processing and disseminating information to the public.

We comment here on three areas where significant investment can be expected.

- The Parliamentary Website

  The 2002 review highlighted the need for an upgrading of the parliamentary website “as soon as practicable.”

  We were advised that a comprehensive website review is well underway as a joint agency initiative between the Office of the Clerk and the Parliamentary Service, with the Parliamentary Service as the lead agency and funder. The review covers the Speaker, Office of the Clerk and the Parliamentary Service and has the ultimate objective of providing a new and integrated website for Parliament.

  It is planned as a total revamp. Among the numerous aims are to present Parliament as a single entity, achieve more participation in democracy, better inform the public, allow for better access for disabled people, improve educational facilities and resources and the historical record and improve information to out-of-Parliament offices.

  Internally, it will allow content owners the ability to manage their own information, provide a consolidated publishing workflow (improve productivity) and enhance the ability to share information easily between the parliamentary Internet and Intranet. Importantly, it will have the ability to integrate existing initiatives including electronic
select committees, televising of Parliament and relating the business of Parliament with the Public Access to Law (PAL) project.

We were advised the revamped website will address shortcomings identified by the 2002 review committee, most of which are a consequence of a website that is 10 years old. The aims are to ensure it is integrated, has common search facilities, is user-friendly, meets parliamentary and public information needs, and will not require expert knowledge of Parliament (as the present site does).

We consider this to be an excellent approach and urge early completion. We were advised that registrations of interest for the design and implementation of the web portals have been sought. A factor in timing is the window of opportunity offered around the next general election, as this would avoid double work, or rework, of much of the information on the site. We urge that the new site go live as soon as possible.

It is particularly important that the website be built around information rather than organisational structure.

- **Live televising of Parliament**

The 2002 review committee also recommended that work on live visual broadcasting of the proceedings of the House, and possibly select committees, be expedited. Currently only daily question time is televised live.

Decisions have recently been made to begin televising the House by the middle of 2005. We understand the Office of the Clerk has called for registrations of interest to manage the project. Funding will be sought for the forthcoming financial year, the amount to be determined from the preparation of a detailed business case.

This can only be regarded as a significant step forward in further opening Parliament to the public, and will bring New Zealand into line with other comparable Parliaments.

- **Recording Hansard**

The committee regards it as inevitable that in the future Hansard will be available in all media forms including video and audio. Researchers and scholars will expect to be able to access the past in ways that are consistent with other important sources of information. Parliament should be no exception. People accessing parliamentary records in the future should be able to do so utilising the best technology of the day.

We consider the video and audio recording of Hansard should now be actively investigated, including a full analysis of costs and benefits. We are aware there may be an opportunity to link into the technology required for live televisualing of Parliament.
**Technology Risk**

We were concerned to learn in the course of our review that there are no specific document management or disaster recovery systems within the parliamentary complex.

We understand the Parliamentary Service proposes to develop a multi-staged approach to disaster recovery for information systems. In respect of document management, an effective system is required because of Parliamentary Service responsibilities under recently introduced legislation (the Public Records Bill) and the proposed extended parliamentary network that will introduce a number of additional users on to the parliamentary service network.

Both areas obviously need to be attended to, and we note that action is underway.

Among other upcoming information projects is a focus on improving the ability of MPs to work actively ‘anywhere, any time and from any device’. The ‘mobility project’ includes an initiative to provide laptops to MPs and the implementation of a parliamentary campus-wide wireless local area network allowing MPs to connect to the network from anywhere within the campus.

We were advised that the Parliamentary Service will be seeking funding to address these projects in the 2005/06 budget round.

**Recommendation: Information and Communications Technology**

We recommend that:

(a) Integration of the different ICT systems within the parliamentary complex be expedited.

(b) A group comprising the heads of the five agencies operating within the parliamentary complex be established to investigate the best way to achieve systems integration.

(c) The group be led by a newly created position of Chief Information Technology Officer.

(d) The work on integration should encompass the ICT needs of all five agencies (Parliamentary Service, Office of the Clerk, Ministerial Support, Parliamentary Counsel Office and the Department of the Prime Minister and Cabinet).

(e) Consideration be given to assistance for MPs to manage the mounting flow of information and expectations generated by technology.
(f) The website project be progressed to the furthest extent possible up to the next election and that the new site go live as soon as possible.

(g) Video and audio recording of Hansard be actively investigated, including a full cost benefit analysis and consideration of the scope to link into the technology for live televising of Parliament.

3.10 Parliamentary Information and Research

The 2002 review noted that:

“Information and research is of fundamental importance to all of the work of Parliament and its members. MPs must be well informed if they are to contribute fully to the work of Parliament, and the legislature needs to be collectively well informed to play its role in our system of government. Parliament deals with increasingly specialised topics and with issues that reflect an increasingly diverse society, which requires a range of high quality research and information services.”

This view was also strongly reflected in submissions we received for this review. The value of information and research to Parliament is certainly not diminishing. It is our impression that, if anything, it is increasing with the evolution of MMP.

The main sources of information and research funded by parliamentary appropriations are the Parliamentary Library and the party research units.

Parliamentary Library

The Library plays a central role in collecting and providing quality information to MPs and staff and has earned its reputation as a highly regarded and much used source of information and research.

We found universal high regard for Library services. Our main interest was in where it will need to go over the next five years to keep pace with the changing information environment and with the needs and expectations of Parliament, MPs and other users.

First, we note some of the more recent developments that show the Library as proactive, responsive and efficient:

- The growing use of electronic forms of information collection and dissemination (extensive development of Library services through the Intranet and portals that make information more accessible to users).
- New information products introduced by the Library in response to the changing needs of the House and members and the opportunities offered by electronic communication, eg infocus.
- The growth in subject specialisation (Library staff are now organised into five multi-disciplinary subject teams to enable provision of more in-depth subject expertise in areas relevant to Parliament).
• Expansion of research services directly to select committees (the Library now supplies briefings and issues papers to select committees). We understand this has been well received but note that continuation of this service depends on the availability of ongoing funding.

• The taking on of responsibility for the Parliamentary Information Service (the service deals with information requests from the public).

A Parliamentary Service reorganisation in mid 2004 added responsibilities in two areas to the Library’s role: Information and Knowledge, and History and Heritage. These new responsibilities recognise the value to Parliament of having ready access to accurate high quality information. They expand the Library’s role beyond the traditional role of access to published information into the realms of internally generated information and recognise the value of having a coherent overview of knowledge systems within Parliament. It is, in the committee’s view, an entirely appropriate role for the Library. We understand the functions associated with the two new Library roles are currently being scoped and will be the subject of a funding bid in the next budget round.

Another shift in the nature of the Library’s role is the changing emphasis in staffing, with research analysts joining research librarians in the Library structure. Research analysts provide a depth of subject expertise and skills in synthesis and analysis which, we believe, will become increasingly important for meeting the information and research needs of Parliament and MPs. The Library at present has acknowledged expertise in statistics, economics and legal research. Other high profile subject areas, such as, for example health and immigration, are not currently covered.

We suggest that for the future the Library may need to look at the structure of its senior positions in terms of numbers and being able to provide rewarding career paths. This seems likely, in our view, to include building up the team of research analysts to cover a wider range of subjects.

The next five years are likely to see rapid technological advances in the whole information arena, allowing people to access information more efficiently and effectively. In the case of the Library, this is well illustrated by projects currently being worked on, including the parliamentary website review, the development of the Office of the Clerk/Parliamentary Service ICT strategy, digital media monitoring, information on legislation in progress, a members and Ministers database and a ‘mobility’ project (ability to deliver information to MPs wherever they are working and in a range of formats). The Library needs to continue to assess the impact and usefulness of new technologies and other developments in serving the needs of MPs – who we expect will become increasingly adept at accessing Library services.

The next five years are also likely to see continuing growth in the absolute information coverage available, with consequent issues of information overload and finding the ‘useful information amongst the dross’, for MPs. There is likely to be an even stronger emphasis on tailored and personalised information services delivered to MPs, wherever they are
working, in a variety of different formats. In the medium to long term it may be expected that new generations of MPs will increasingly have the ability to search out their own material. Precise methods of storage and retrieval will become correspondingly more important, as they will for all sections of parliamentary operations.

The library needs to be resourced to continue the momentum of these kinds of developments and ensure they are implemented in pace with changing demands.

**Recommendations: Library**

The committee recommends that:

(a) The Parliamentary Service undertake a review of Library funding and resourcing with the aim of ensuring the Library is able to fully develop services utilising new technologies and enhancing the content of information provided to Parliament, MPs and other users.

(b) The review specifically include funding for ongoing provision by the Library of research support for select committees.

(c) Consideration be given to providing training for MPs in accessing Library services and in developing their skills in sourcing information.

**Research Units**

The other primary source of information and research, the party research units, service members within their political parties. The party research units are specifically funded from allocations to the Whips’ offices, which in the first instance limits the research budget. However, parties may also choose to augment their research funding by using money pooled from members’ support allocations. This gives a certain amount of flexibility.

We observed that some parties do take advantage of this.

Some submissions highlighted pressure on research funding – especially the smaller parties that feel obligated to develop positions on a wide range of policy and legislation, but without commensurate capacity to fund the associated research. It is essentially an ‘economy of scale’ issue.

Suggestions we considered included a tagged allocation for research and a base budget per party to cover a minimum core level of staffing.

Rather than channel funding specifically into research activity, we believe it is preferable to retain the flexibility MPs and parties have now to direct resources into the areas that are priorities for them. We set out our approach to achieving this in sections 3.3 and 3.4, through an effective increase in the Members’ Support allocation.
3.11 Educational Material about Parliament

Between the Parliamentary Service and Office of the Clerk, a range of information about Parliament and its proceedings is made available to the public. Informing the public about Parliament is, we believe, a key element in achieving public respect for and increasing the understanding of our parliamentary democracy. We agree with the view expressed in a submission, that “the more people know about an organisation the more inclined they are to view it favourably”.

We thus regard provision of public information as an important activity for the parliamentary agencies.

Increasingly, information is being delivered through the parliamentary website, but we believe that other forms of information will remain important to promoting the goal of an ‘informed public’. A number of ideas were suggested to us, including a television documentary, a video, parliamentary seminars for schools and other groups and a closer link between the parliamentary agencies and the Centre for Citizenship Education.

In our view the most immediately useful and practical addition to existing channels of information would be the making of a video on Parliament, showing its various facets and covering the House and also select committees in operation. Use can, we assume, be made of the footage that will result from the advent of live televising of Parliament. Such a video would be particularly valuable for schools.

Recommendation: Educational Material about Parliament

We recommend that:

(a) The Parliamentary Service and Office of the Clerk consider collaborating to produce a video of Parliament designed for public education purposes.
PART FOUR: SECURITY

4.1 The Security Environment

The Parliamentary Service 2004/05 Statement of Intent identifies an issue the committee strongly believes must be given utmost attention. It reads:

“Changes to the world around us mean that security projects continue. A secure Parliament is an imperative. Good risk management means we can have effective security systems without significantly impacting on the ability of the people of New Zealand to have access to their representatives. Achieving this balance is not an easy task, and debate will continue between the need for security against the traditional right, expected by New Zealanders, of free and unimpeded access to their political leaders.”

This statement aligns with our own assessment of the vastly changed environment in which public institutions work.

4.2 Security Measures

A review of security measures in 2002 considered there were a number of vulnerabilities and security risks to the MPs and staff who work at Parliament buildings. At the time, there was no information available to indicate New Zealand was likely to be a target for any terrorist or security incident. However, today what is happening internationally cannot be ignored. While New Zealand is distant from most perceived higher risk locations, the possibility of security incidents impacting on or in New Zealand cannot totally be discounted.

The committee sought a full briefing on security plans for the parliamentary complex. We were advised that action is well underway to strengthen security within the complex, certain elements being implemented as part of the final stage of the Executive Wing refurbishment programme. Other aspects are covered as part of refurbishment proposals planned for Bowen House. The overall aim of the planned additional measures is to ensure that unauthorised persons, or persons intent on committing a criminal act, do not have access to the parliamentary complex.

Additional security measures will have an obvious impact on those who work in the complex and also on visitors. It is recognised that all building security measures necessarily involve a trade-off between open and unrestricted access and limitations on access, to ensure the safety and security of the buildings and, most importantly, those who work in, or visit the parliamentary complex.

The parliamentary complex is obviously a venue of national significance and presents numerous challenges in respect of providing total security. Security of Parliament can also be taken to include security of Ministers and officials, families, residences and other assets.
Beyond the parliamentary complex itself, security is also a concern for out-of-Parliament offices, and for MPs, staff and visitors to these offices.

Accordingly, we were also concerned to know whether plans were being made to look further ahead and to plan strategically for the longer term. The Parliamentary Service advised us that consultants were to be engaged to assist with the preparation of a strategic plan for security. The last such plan was prepared around 1990 to coincide with the then 10-year Parliament building refurbishment programme. That programme is coming to an end and it is therefore timely, and appropriate, for a new plan to be confirmed.

It is not appropriate for us to record specific recommendations on security matters but we strongly support the development of a comprehensive strategic plan. The need for ongoing vigilance in respect of this subject is inescapable. We also urge that planning and implementation be proactive, not reactive, and that security provisions be kept under constant review to ensure there is the capacity to act as and when required.

The committee believes that the preparation of a comprehensive security plan should be carried out by recognised security experts.

It should also be noted that we presented a number of observations on the subject of security direct to the Parliamentary Service Commission.

**Recommendation: Security**

We recommend that:

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.

c) The security of the parliamentary campus should be under constant review.
5.1 Management Issues

In this section we comment on aspects of financial and organisational management that featured in our inquiries:

- Budget management: bulk funding of party and Members’ Support
- Organisational structure
- Employment arrangements within the parliamentary complex
- Human resource management issues in the Parliamentary Service.

5.2 Budget Management: Bulk Funding

The 2002 review committee investigated in some depth the merits of bulk funding as a way of funding party and members’ support services, noting that it has been a recurring theme in the consideration of how best to fund support services to parties and MPs from parliamentary appropriations. The appeal of bulk funding is that it decentralises budget control and essentially raises the level at which a group self-manages its resources.

In the context of Parliament, full bulk-funding would see budget-holders (a Party or MPs) provided with a quantum of funds to undertake all activities that they need to purchase to perform their parliamentary functions, ranging from travel to communications to employing and paying staff.

We reviewed the pros and cons of bulk funding, with updated advice from Treasury.

The advantages of bulk funding include:

- 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 cited example);
- Clear accountability, with MPs being required to manage their own office resources; and
- Enabling MPs to make appropriate trade-offs and prioritise expenditure.

Disadvantages of bulk funding include:

- 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.

There is thus a fine balance between the pros and cons. Two factors persuaded the committee that the time for bulk funding has passed:

First, in terms of budget management, there have been major developments in New Zealand public sector management generally, and in the accountability arrangements for Parliament specifically, which offer effective and efficient forms of budget management. Continuing evolution of these should, over time, provide superior information on the value for money being achieved in parliamentary appropriations.

Second, we were not presented with any calls for bulk funding. It was not raised in any submissions. It seems that the ability for each parliamentary party to aggregate funding, and the associated discretion MPs and Parties already have over deployment of their support budgets, is regarded as sufficient flexibility, without the drawbacks of full bulk funding.

The committee therefore sees no merit in extending bulk funding.

**Recommendation: Budget Management**

We recommend that:

(a) Our assessment be noted that bulk funding for party and/or Members’ Support should not be extended.

(b) Effort be put instead into continuing to improve existing forms of budget management and ensuring these work effectively in the parliamentary environment.

### 5.3 Organisational Structure

The committee noted clear signs of a growing need for the functions of Parliament to operate in a connected way, rather than with distinct functional divides. There is much to be gained in terms of effectiveness and efficiency through coordinated service provision and consistency of policy and management.

We considered the merits of merging some parts of the five agencies that operate in the parliamentary complex, or at least merging functions that seem to duplicate or overlap. The agencies that appear to us most likely to fall into this possibility are the Parliamentary Service, Office of the Clerk and Ministerial Services.
Earlier in our report we commented on the need for an integrated approach to ICT development. Technology alone will drive greater collaboration across organisational boundaries within the parliamentary complex.

We were advised of a number of initiatives being progressed jointly and cooperatively by the Parliamentary Service (including the Library), Office of the Clerk and in some cases Ministerial Services. These make best use of the responsibilities of the Office of the Clerk, on the one hand, for servicing the House and committees and, on the other, those of the Parliamentary Service for the space and facilities needed to accommodate them.

Current active examples are:

- The televising of Parliament
- The installation of video conferencing in select committee rooms
- The Internet/Intranet re-development project
- Strategic development for information and communications technology
- Provision of Library services to select committees
- Development of a public education programme.

These initiatives are highly creditable. We think this collaborative approach is important enough to warrant specific reference in the performance agreements for the both the Clerk of the House and the General Manager of the Parliamentary Service.

In respect of the five agencies operating in the parliamentary complex, while each has distinct management roles and functions, we believe there is some validity in raising the question of whether this is indeed the best form of organisational structure – in simple terms, is there a need for five separately functioning agencies? We did not feel competent to judge that, and note that three of the five agencies (Ministerial Services, the Parliamentary Counsel Office and Department of the Prime Minister and Cabinet) are outside our brief. We do however think it is a question that should be looked at, particularly in terms of whether what is in place today is the optimum structure looking 5 to 10 years ahead. We have already commented on the way ICT is driving the need for more integrated forms of organisational structure.

We concluded that an external consultancy should be engaged to assess the state and effectiveness of current organisational practice and to explore the scope for merging functions. The task would include investigating in detail the prospects for merging pertinent groupings of roles and functions of at least the Parliamentary Service, Office of the Clerk and Ministerial Services, with consideration given also to the scope for synthesising some functions and/or services of the Parliamentary Counsel Office and Department of the Prime Minister and Cabinet within a changed structure.
In the meantime, we support the increasing amount of collaboration that is occurring among the agencies, including what we understand are now joint management teams working on certain projects. There is clearly scope for effectiveness and efficiency gains through joint projects and some common services, and perhaps, as a further development, some common governance mechanisms.

We anticipate these issues could be a major feature of the next triennial review.

**Recommendations: Organisational Structure**

The committee recommends that:

(a) Collaboration between the Office of the Clerk and Parliamentary Service, including Ministerial Services where appropriate, continue to be given full attention.

(b) Collaboration be incorporated as an objective in the performance agreements for the Clerk of the House and the General Manager of the Parliamentary Service.

(c) 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.

5.4 **Employment Arrangements within the Parliamentary Complex**

There is one other area we identified as calling for some degree of integration. This concerns staff working within the parliamentary complex but for different agencies and the issues that arise when staff move from one ‘employer’ to another.

Our attention was drawn to the situation between the Parliamentary Service and Ministerial Services where staff following an MP into Executive Government, and indeed back the other way, appear to lose continuity of service and hence service entitlements. Further discontinuity can occur as Ministers’ offices are structured differently from MPs’ offices, with different terms, conditions and salaries.

Essentially, the committee’s view is that staff movements between the Parliamentary Service and Ministerial Services, when staff deployment is required, should be much better coordinated and managed. Staff should not lose service entitlements simply because they are moving from one part of Parliament Buildings to another as a consequence of political change.

It was suggested to us that the solution might lie in the potential for the parliamentary campus to be a common employment environment. This has some appeal. It may, for example, provide greater continuity of employment, make a common resettlement approach more feasible,
provide broader career path opportunities for staff and allow more training, retraining and deployment options. It also poses some complex questions such as equalisation costs (at least in the short term) and achieving consistency of employment terms and conditions of affected staff (with associated financial implications).

We would expect, however, that the problem we highlight here could be solved with goodwill and common sense, and would hope it is solved prior to the next General Election.

Our attention was also drawn to another disparity. We understand that equipment upgrades for Parliamentary Service staff do not necessarily apply to leaders’ office staff, because of the way funding is managed. Equipment for leaders’ office staff is funded from the leaders’ budgets and is therefore subject to a different set of priorities than for staff employed in the core Parliamentary Service. While we believe that there is no basis for disparities of this kind in terms of the nature of the work, we do not have a firm view on how it might be resolved and simply highlight it for attention.

5.5 Human Resource Management Issues: Parliamentary Service

The committee’s attention was drawn to some aspects of human resource management in the Parliamentary Service that we subsequently felt warranted comment.

We were advised that the Parliamentary Service is not directly funded to provide support, supervision or training for MPs’ executive assistants or MPs’ out-of-Parliament staff. These are fundamental employer responsibilities and carry an associated cost.

We understand that the Parliamentary Service is funded up to the level of covering the direct costs of those support staff who are near the maximum of their job scale. When vacancies occur and new staff join, commencing on the bottom of the pay scale, some funds may free up for use in approved training - for instance, health and safety induction (an important legislative requirement). This is unlikely, however, to be achievable during the financial year in which a General Election falls because of the number of staff at or near the top of their salary scale.

In terms of staff training and development in general, when there are no surplus funds, the costs are charged to members’ support allocations, or to leader and party group funding.

This is an issue which we believe may inhibit the ability of the Parliamentary Service to provide a fully integrated approach to services to meet the needs of MPs; and to meet employer obligations in areas such as training and development, and the provision of equipment, systems and facilities for member’s support staff that ensure a safe and healthy environment.
A State Services Commission survey in 2002 found that a number of public sector agencies have a policy of allocating between 2% and 5% of payroll for staff development and training. This, we understand, relates to the direct costs of provision and does not take into account the costs associated with administrative support for training and developmental activities or of undertaking analysis of staff training and development needs.

Besides staff training and development, the committee became aware there may be other human resource management issues that ought to be addressed for staff in the Parliamentary Service, particularly relating to out-of-Parliament offices. In association with our visits to out-of-Parliament offices, some concern was expressed to us as to the level of understanding of the workings and realities of out-of-Parliament offices.

As observers, we were unable to assess, conclusively, the size of the issue and indeed whether the Parliamentary Service does have all the appropriate procedures deployed to provide sufficiently responsive support to staff. The parliamentary campus is a complex and unusual employment environment, and the demands on employment practices and human resource management are particularly challenging. The culture of human resource management in the Parliamentary Service needs to reflect the ultimate role of servicing the parliamentary democracy and the functions of Parliament.

We did, however, sense that there were sufficient human resource management issues to suggest that the Parliamentary Service review its human resource management policies and practices, including management culture, to identify the issues (where they are and what they are) and establish a programme to make improvements where necessary.

**Recommendation: Human Resource Issues, Parliamentary Service**

We recommend that:

(a) The Parliamentary Service review the funding it requires to allow it to meet standard employer responsibilities for training and development for MPs’ staff employed in the Parliamentary Service, both at Parliament and out-of-Parliament.

(b) Such funding should be in the order of 2% of payroll cost.

(c) The Parliamentary Service review human resource management policies and practices that need to be addressed, and establish a programme to make improvements where necessary.
PART SIX: ADMINISTRATIVE AND FISCAL IMPLICATIONS

6.1 General Observations

In this section we summarise the main fiscal and administration implications of our proposals. In each case there are obviously further matters of policy and detail to be worked through in order to identify these definitively. We have however arrived at some indicative cost estimates.

We were presented with a range of options for increased services to MPs, parties and Parliament. The resourcing priorities represented in our proposals reflect the approach we took to fiscal responsibility as set out in section 1.6 of our report.

We expect information and communications to be one of the biggest areas of new investment, with the continuing move to an electronic environment for the operations of Parliament and increasing use of technology by MPs and staff.

6.2 Fiscal Impact

Our brief relates to the resources to be made available to Parliament over the coming parliamentary triennium, years 2005/06 to 2008/09. Any new expenditure arising from our report will of course impact beyond that time horizon, as our proposals have an ongoing impact. The next triennial review provides an opportunity to re-evaluate the fiscal outcomes against the outcomes we have sought from our review, in terms of the effective and efficient functioning of Parliament and its members.

Our proposals fall into four expenditure categories:

Expenditure Already Provided For or Anticipated

Not all of our proposals represent additional expenditure. Some of the most important areas for future resourcing that we have identified as priorities are in the pipeline already, with expenditure already provided for or anticipated. These include:

- The live televising of Parliament.
- Development of the parliamentary website.
- Video conferencing for select committees.
- Information and communications technology investments we expect to be needed in the next triennium and beyond.
- Enhancements to security for the parliamentary complex.
Expenditure Required Beyond Existing Short Term Funding

Some developments that are already underway have short term funding allocated, but will require ongoing funding if they are to be fully implemented, as we propose. These include:

- The development of the electronic select committee project beyond the pilot currently being conducted.
- The ongoing provision of research support from the Library to select committees.

Expenditure Arising Directly From Our Proposals

The following are areas of new spending arising from our proposals, and not otherwise provided for:

- Transfer of responsibility for the leasing of out-of-Parliament offices to the Parliamentary Service and an increase in Vote: Parliamentary Service (departmental outputs) for the cost of rent and furniture and equipment.
- The introduction of a freephone service for Electorate MPs, specifically to enable constituents to telephone their MPs free of charge.
- Publication of select committee Hansards on the parliamentary website, as and when they are produced.
- Appointment of a Chief Information Technology Officer to lead the development and integration of ICT within the parliamentary complex.
- Expansion of Library services, subject to a review of Library resourcing.
- Work to investigate the scope for merging functions 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, with the engagement of external advice.
- Funding to allow the Parliamentary Service to meet standard employer responsibilities for training and development for staff in the Parliamentary Service, to the extent of 2% of payroll cost.

Proposals That Are Fiscally Neutral

In this category is a proposal that would ensure better management of existing funding, and does not involve new expenditure:

- Communications: printing and stationery – for MPs and parties, direct attribution of costs for printing and stationery to the user of the resource, based on current usage. This would replace the present system where spending on these two items by MPs and parties is demand driven.
The following table summarises the additional costs arising directly from our proposals.

<table>
<thead>
<tr>
<th>Report reference</th>
<th>Proposal</th>
<th>Cost implication</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-Parliament offices (Section 3.3)</td>
<td>Transfer of responsibility for leasing and equipping out-of-Parliament offices to Parliamentary Service</td>
<td>$1.8 million pa estimated cost</td>
<td>Parliamentary Service (departmental outputs)</td>
</tr>
<tr>
<td>Party and Members’ Support (Section 3.4)</td>
<td>Freephone service for Electorate MPs.</td>
<td>$250,000 pa estimated cost</td>
<td>Parliamentary Service (Crown expenditure)</td>
</tr>
<tr>
<td>Office of the Clerk (Section 3.8)</td>
<td>Publication of select committee Hansard on website</td>
<td>Not estimated</td>
<td>Office of the Clerk</td>
</tr>
<tr>
<td>Information and communications technology (Section 3.9)</td>
<td>Appointment of a Chief Information Technology Officer</td>
<td>$350,000 pa estimated cost</td>
<td>Parliamentary Service (departmental outputs) and Office of the Clerk</td>
</tr>
<tr>
<td>Information and research (Section 3.10)</td>
<td>Expansion of Library services</td>
<td>Subject to review of Library resourcing</td>
<td>Parliamentary Service (departmental outputs)</td>
</tr>
<tr>
<td>Security measures (Section 4.2)</td>
<td>Development of a comprehensive security plan for the parliamentary campus, and constant review of security provision.</td>
<td>Not costed</td>
<td>Parliamentary Service (departmental outputs)</td>
</tr>
<tr>
<td>Management (Section 5.3)</td>
<td>Engagement of external adviser to investigate the scope for merging functions of agencies in parliamentary complex</td>
<td>No estimate given for obvious reasons</td>
<td>To be determined</td>
</tr>
<tr>
<td>Management (Section 5.5)</td>
<td>Funding to allow the Parliamentary Service to meet standard employer responsibilities for training and development for staff in the Parliamentary Service,</td>
<td>Funding of 2% of payroll for staff development and training typical in public sector agencies.</td>
<td>Parliamentary Service (departmental outputs)</td>
</tr>
</tbody>
</table>

### 6.3 Administrative Implications

A number of our proposals carry administrative implications, most particularly for the Parliamentary Service because of its central responsibility for administering support services for MPs and parliamentary political parties.
We have assumed that the administrative resource needed to implement the various projects already in the pipeline (listed above as Expenditure already provided for or anticipated and Expenditure required beyond existing short term funding) are being planned for, or will be at the appropriate time.

Here we highlight only the new administrative impacts arising from our proposals,

**Out-of-Parliament Offices**

The most significant administrative impact will be on the Parliamentary Service, under our proposal to transfer to the Service responsibility for the leasing of out-of-Parliament offices. We do not underestimate the challenge this will involve, on two major fronts:

- The technical leasing role will require specialist skills in property management.
- The role of managing a system for leasing out-of-Parliament offices on behalf of MPs will require a culture of customer service, and the ability to balance, judiciously, the aim of meeting the genuine needs of the MP and the need to apply standards – some set by law, some by the Speaker in consultation with the PSC and some a consequence of good employer responsibility.

The skills required for the task may be directly employed by the Parliamentary Service, or could potentially be provided through contracting with external providers. We leave this to the judgement of the Parliamentary Service, to determine the most cost effective and best service-oriented method.

We note also the roles we propose for the Speaker, in consultation with the PSC, in the development of standards and entitlements for out-of-Parliament offices, in respect of office signage, applications for offices additional to the number normally funded and use of mobile offices.

**Development and integration of ICT systems**

We have stressed the need to expedite the integration of the different ICT systems within the parliamentary complex. The means we propose for achieving this is via the leadership of a Chief Information Technology Officer (CITO), a newly created position, supported by a group comprising the heads of the five agencies operating within the parliamentary complex.

This will entail building on the existing ICT committee (a user group) that we understand is already operating within the complex. Our proposal introduces a governance component that we regard as necessary to making progress, in the form of the CITO reporting to, for instance, a ministerial panel comprising the Speaker, Prime Minister (as Minister responsible for ministerial services) and Minister of State Services.
We note that technology capability is a critical issue for both the Parliamentary Service and the Office of the Clerk, as it is for any organisation working in this electronic age. We expect both agencies to make appropriate investment in acquiring technology capability as an ongoing concern of management.
PART SEVEN: CONCLUDING REMARKS

The committee has undertaken a very thorough review, aided greatly by the approach established by the first triennial review committee in 2002 and by the comprehensive inputs from a range of submitters, officials and other interested parties.

In concluding this report, we wish to highlight our view that the main priorities for additional resourcing, going into the next parliamentary triennium, are:

- The transfer of responsibility for leasing out-of-Parliament offices to the Parliamentary Service.
- Development and implementation of a strategy to integrate information and communications technology across the agencies within the parliamentary complex, with the appointment of a Chief Information Technology Officer.
- Investigation of the scope for merging some roles and functions of at least the Parliamentary Service, Office of the Clerk and Ministerial Services, and including consideration of the Parliamentary Counsel Office and Department of the Prime Minister and Cabinet.
- Early completion and implementation of a strategic plan for security.

We believe the recommendations we make in our report fulfil the intent of the triennial review process as set out in the Parliamentary Service Act 2000.

In particular, our recommendations address aspects of the ongoing operation of the House, the ability of MPs to perform their functions effectively, the appropriate level of support funding for parties and MPs, the efficient delivery of administration and support services to the House and its members and we also highlight investments that, in the words of the Act “further the aims of high quality representation by members of Parliament and high quality legislation”. In so doing, we have been mindful of the need for fiscal responsibility.

We believe that if implemented our recommendations will indeed advance the efficiency and effectiveness of the parliamentary system.
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.

(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

REVIEW TEAM

APPOINTED MEMBERS

John Goulter DCNZM JP  Chairman
Hon Doug Kidd DCNZM  Member
Hon Margaret Shields QSO  Member

ADVISER

Adrienne von Tunzelmann
**APPENDIX 3**

**SUBMISSIONS AND OTHER INPUT TO THE REVIEW**

Significant submissions and other input were received from the following persons and organisations.

**Party Leaders and Party Representatives**

<table>
<thead>
<tr>
<th>Party</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speaker</td>
<td>Rt Hon Jonathan Hunt</td>
</tr>
<tr>
<td>Leader of the House</td>
<td>Hon Dr Michael Cullen</td>
</tr>
<tr>
<td>Labour Party</td>
<td>Jill Pettis</td>
</tr>
<tr>
<td>National Party</td>
<td>Gerry Brownlee, John Carter, Hon Roger Sowry</td>
</tr>
<tr>
<td>Progressive Party</td>
<td>Hon Jim Anderton, Party Leader; Hon Matt Robson</td>
</tr>
<tr>
<td>ACT Party</td>
<td>Rodney Hide, Party Leader; Hon Ken Shirley</td>
</tr>
<tr>
<td>United Future Party</td>
<td>Hon Peter Dunne, Party Leader</td>
</tr>
<tr>
<td>NZ First Party</td>
<td>Peter Brown, Senior Whip; Graham Harding, Chief of Staff</td>
</tr>
<tr>
<td>Green Party</td>
<td>Rod Donald, Co-Leader; Deb Moran, Chief of Staff; Peter Davis, Coordinator</td>
</tr>
</tbody>
</table>

**Other Members of Parliament**

<table>
<thead>
<tr>
<th>Name</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nanaia Mahuta</td>
<td>Labour Party Maori Caucus</td>
</tr>
</tbody>
</table>

**Officials**

Parliamentary Service:

- General Manager
- Group Manager, Finance and Entitlements
- Parliamentary Librarian and Group Manager Information and Knowledge
- Group Manager, Information Systems and Technology
- Group Manager (Operations)
- Project Development Officer (Security and Operations)
- Operations Co-ordinator (Security, Safety and Emergency Services)

Office of the Clerk:

- Clerk of the House
- Chief Financial Officer

Office of the Controller and Auditor General

The Treasury

State Services Commission

E-Government Unit, State Services Commission

Department of Internal Affairs (Acting General Manager, Ministerial Support)
Parliamentary Party Research Units

Labour Party Research Unit
National Party Research Unit

Unions

Unite!
PSA

Other Agencies

Remuneration Authority

Other Persons

Lyndsay McCallum
OUT-OF PARLIAMENT OFFICE SITE VISITS

The following table lists the out-of-Parliament offices visited by members of the review committee.

The purpose was to provide the committee with a picture of the kinds of office arrangements and support MPs have in their out-of-Parliament offices and the working environment for staff.

<table>
<thead>
<tr>
<th>Member of Parliament</th>
<th>Party</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Peck</td>
<td>Labour (E)</td>
<td>Invercargill</td>
</tr>
<tr>
<td>Mahara Okeroa</td>
<td>Labour (E)</td>
<td>South Invercargill</td>
</tr>
<tr>
<td>Marc Alexander</td>
<td>United Future (L)</td>
<td>Christchurch</td>
</tr>
<tr>
<td>Jim Anderton</td>
<td>Progressive (E)</td>
<td>Sydenham</td>
</tr>
<tr>
<td>Rod Donald</td>
<td>Green (L)</td>
<td>Christchurch</td>
</tr>
<tr>
<td>Ron Mark*</td>
<td>NZ First (L)</td>
<td>Christchurch</td>
</tr>
<tr>
<td>Gerry Brownlee</td>
<td>National (E)</td>
<td>Fendalton</td>
</tr>
<tr>
<td>Lianne Dalziel</td>
<td>Labour (E)</td>
<td>Aranui</td>
</tr>
<tr>
<td>Roger Sowry</td>
<td>National (L)</td>
<td>Paraparaumu Beach</td>
</tr>
<tr>
<td>Marian Hobbs</td>
<td>Labour (E)</td>
<td>Wellington</td>
</tr>
<tr>
<td>Heather Roy</td>
<td>ACT (L)</td>
<td>Wellington</td>
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<tr>
<td>Simon Power</td>
<td>National (E)</td>
<td>Feilding</td>
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<tr>
<td>Darren Hughes</td>
<td>Labour (E)</td>
<td>Levin</td>
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<tr>
<td>Winnie Laban</td>
<td>Labour (E)</td>
<td>Porirua</td>
</tr>
<tr>
<td>Georgina Beyer</td>
<td>Labour (E)</td>
<td>Dannevirke</td>
</tr>
<tr>
<td>Rick Barker</td>
<td>Labour (E)</td>
<td>Hastings</td>
</tr>
<tr>
<td>Winston Peters</td>
<td>NZ First (E)</td>
<td>Tauranga</td>
</tr>
<tr>
<td>Peter Brown</td>
<td>NZ First (L)</td>
<td>Tauranga</td>
</tr>
<tr>
<td>Larry Baldock</td>
<td>United Future (L)</td>
<td>Tauranga</td>
</tr>
<tr>
<td>Margaret Wilson</td>
<td>Labour (L)</td>
<td>Tauranga</td>
</tr>
<tr>
<td>Mita Ririnui</td>
<td>Labour (E)</td>
<td>Te Puke</td>
</tr>
<tr>
<td>Tony Ryall</td>
<td>National (E)</td>
<td>Auckland</td>
</tr>
<tr>
<td>Don Brash</td>
<td>National (L)</td>
<td>Auckland</td>
</tr>
<tr>
<td>Pansy Wong</td>
<td>National (L)</td>
<td>Auckland</td>
</tr>
<tr>
<td>Judith Tizard</td>
<td>Labour (E)</td>
<td>Ponsonby</td>
</tr>
<tr>
<td>Murray McCully</td>
<td>National (E)</td>
<td>Browns Bay</td>
</tr>
<tr>
<td>John Carter</td>
<td>National (E)</td>
<td>Kerikeri</td>
</tr>
<tr>
<td>Brian Donnelly</td>
<td>NZ First (L)</td>
<td>Whangarei</td>
</tr>
</tbody>
</table>

L = List MP  
E = Electorate MP  
* By Phone
EXTRACT FROM THE 2002 APPROPRIATIONS REVIEW COMMITTEE

THE PARLIAMENTARY TRADITION AND THE ROLES OF PARLIAMENT AND MPS

Like any other Parliament, the New Zealand Parliament has its own distinct history, albeit one that reaches back over 800 years to the foundations of the British parliamentary system.

The system we have now is a blend of tradition and progression reflecting 150 years of evolution. An important factor in our approach to this review is that that evolution will inevitably continue, sometimes in large leaps as with the advent of MMP, sometimes as an ongoing response to society’s changing values, our demographic trends, New Zealand’s place in the world, our social and economic development (an example we highlight in our report is the ‘knowledge age’) and a system of Government that continuously reforms itself.

The core functions of Parliament remain the same:

- To play its part in the making of law
- To provide a government
- To scrutinise the activities of government and hold it accountable
- To vote supply
- To influence policy
- To provide an open forum for debating issues
- To represent government and citizens.

The resources Parliament is given to carry out these functions in modern times must be such as to enable Parliament to perform them fully, and in ways that meet the expectations of an increasingly well informed public and participative society.

There is no definitive ‘job description’ for MPs, hence no definitive criteria for determining adequate resourcing. MPs fulfil many roles – as legislators and watchdogs of government, representing their constituencies and acting as ‘ombudsmen’, representing communities of interest on matters of policy and, whether as list or constituency MPs, being party members. They carry out these roles in the debating chamber, select committees, party offices, constituencies and anywhere in New Zealand that calls for their presence.

A Controller and Auditor General report highlights some of more demanding aspects of an MP’s job:

- The MP’s representative role extends to both domestic and international forums and requires MPs to be able to identify, analyse and present on local and international issues in Parliament and, in some cases, outside the country.
- They must be well informed to contribute effectively to the development of sometimes complex new laws and the amendment of existing laws.
- They must be able to cope with the conduct of financial reviews, and the detailed examination of Budgets and Estimates of Expenditure.
- People expect them to be experts on the operations of the Crown so that they can offer informed advice to those who come to them for help to solve a problem.6

Further, with the strong emphasis now placed on consultation as a necessary component of decision-making, MPs are expected to be well-versed in how communities, and groups within communities, perceive issues.

MPs bring to these parliamentary roles their own individual style and emphasis. This has been one important factor in introducing more flexibility for MPs in how they use their funding resources, and was stressed in the discussions we had with MPs during the review.

The main roles of parliamentary parties are to present their policies in Parliament and to challenge the government’s policies from a party perspective. They will need to undertake research, gather and analyse wide-ranging and in-depth information from within New Zealand and internationally, and organise themselves to use this to effect in parliamentary debate and select committee work.

At all three levels – Parliament as a whole, MPs and parliamentary parties – the Westminster parliamentary system has always been fundamentally a ‘competition for ideas’. MMP has made the competition more vigorous than ever. In the committee’s view, it is inevitable that this will flow into resourcing needs.

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RECOMMENDATIONS

Out-of-Parliament Offices

We recommend that:

(a) The Parliamentary Service take over responsibility for leasing, furnishing and equipping out-of-Parliament offices.

(b) The choice of office for MPs be determined, in the first instance, by the MP concerned, subject to meeting the required standards and being within reasonable cost parameters for the location concerned.

(c) The transition to the proposed arrangements be such as to ensure that all out-of-Parliament offices be phased into the new system over a period not extending beyond the next two election cycles.

(d) Out-of-Parliament premises meet normal health and safety standards, comply with all regulatory requirements and align with the standard of front-line government offices.

(e) In the event of a dispute arising between the MP and the Parliamentary Service on the choice of premises the matter stand referred to the Senior Whip of the party concerned and the Chief Executive of the Parliamentary Service; and if they are unable to agree, the matter shall be referred to the Speaker whose decision will be final.

(f) The Parliamentary Service departmental appropriation be increased by the amount necessary to fund rent and relevant depreciation costs.

(g) The amount appropriated for Members’ Support, and the level of individual member allocations, be left unchanged.

(h) Equipment and furniture provided in out-of-Parliament offices, including basic computer hardware and software, be of a common standard.

(i) Provisions governing branding and signage, additional offices and mobile offices be developed by the Parliamentary Service Commission.

(j) A protocol including guidelines to implement the new leasing arrangements be developed by the Speaker and Parliamentary Service Commission, by the end of the first quarter of 2005.

Party and Members’ Support

The committee recommends that:

(a) Members’ Support allocations remain unchanged at $66,000 for Electorate MPs and $42,000 for List MPs with the introduction of the proposed new arrangements for leasing and equipping out-of-Parliament offices.

(b) Leaders’ and Whips’ Office funding remain unchanged.

(c) 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.
Maori Members of Parliament

We recommend that:

(a) Resourcing for the Maori interpretation service within Parliament be continued, and opportunities for the service to be used in a wider range of parliamentary business be acted on as they arise.

(b) The review committee’s proposals for out-of-Parliament office provision, Members’ Support funding and freephone service be noted as enhancements to the support available to all Electorate MPs, and as having particular benefit in large Maori electorates.

(c) Future triennial reviews keep support for Maori Electorate MPs under review, having regard to the particular demands of their electorates.

Changing Demographics

We recommend that:

(a) Future triennial reviews keep support for MPs of non-Maori and non-European ethnicities who are required to attend ethnic communities under review, having regard to the particular service needs of such communities.

Communications: Printing and Stationery

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.

Office of the Clerk

We recommend that:

(a) Funding be committed to the projects listed above that are not already funded to the level required for implementation, subject where necessary to submission to the Government of detailed, fully costed business cases.

(b) Select committee Hansards be published on the parliamentary website as and when they are produced.

(c) The publication of select committee Hansards be monitored and evaluated for the potential to extend Hansard coverage to all select committee proceedings.

Information and Communications Technology

We recommend that:

(a) Integration of the different ICT systems within the parliamentary complex be expedited.
(b) A group comprising the heads of the five agencies operating within the parliamentary complex be established to investigate the best way to achieve systems integration.

(c) The group be led by a newly created position of Chief Information Technology Officer.

(d) The work on integration should encompass the ICT needs of all five agencies (Parliamentary Service, Office of the Clerk, Ministerial Support, Parliamentary Counsel Office and the Department of the Prime Minister and Cabinet).

(e) Consideration be given to assistance for MPs to manage the mounting flow of information and expectations generated by technology.

(f) The website project be progressed to the furthest extent possible up to the next election and that the new site go live as soon as possible.

(g) Video and audio recording of Hansard be actively investigated, including a full cost benefit analysis and consideration of the scope to link into the technology for live televising of Parliament.

**Library**

The committee recommends that:

(a) The Parliamentary Service undertake a review of Library funding and resourcing with the aim of ensuring the Library is able to fully develop services utilising new technologies and enhancing the content of information provided to Parliament, MPs and other users.

(b) The review specifically include funding for ongoing provision by the Library of research support for select committees.

(c) Consideration be given to providing training for MPs in accessing Library services and in developing their skills in sourcing information.

**Educational Material about Parliament**

We recommend that:

(a) The Parliamentary Service and Office of the Clerk consider collaborating to produce a video of Parliament designed for public education purposes.

**Security**

We recommend that:

(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.

(c) The security of the parliamentary campus should be under constant review.
**Budget Management**

We recommend that:

(a) Our assessment be noted that bulk funding for party and/or Members’ Support should not be extended.

(b) Effort be put instead into continuing to improve existing forms of budget management and ensuring these work effectively in the parliamentary environment.

**Organisational Structure**

The committee recommends that:

(a) Collaboration between the Office of the Clerk and Parliamentary Service, including Ministerial Services where appropriate, continue to be given full attention.

(b) Collaboration be incorporated as an objective in the performance agreements for the Clerk of the House and the General Manager of the Parliamentary Service.

(c) 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.

**Human Resource Issues, Parliamentary Service**

We recommend that:

(a) The Parliamentary Service review the funding it requires to allow it to meet standard employer responsibilities for training and development for MPs’ staff employed in the Parliamentary Service, both at Parliament and out-of-Parliament;

(b) Such funding should be in the order of 2% of payroll cost.

(c) The Parliamentary Service review human resource management policies and practices that need to be addressed, and establish a programme to make improvements where necessary.