

The Treasury

Budget 2017 Information Release

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
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[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Reference: T2017/805

BM-2-1-2017



Date: 28 March 2017

To: Minister of Finance
(Hon Steven Joyce)

Deadline: None
(if any)

Aide Memoire: Budget 2017 Initiatives for Vote Parliamentary Service

This aide memoire responds to your request for advice on the initiatives for Vote Parliamentary Service.

The Parliamentary Service initiatives sit in the “Other” package. The emerging “Other” package currently totals [33] per annum. The package is primarily made up of investment in Defence [33] per annum) and Parliamentary Service initiatives [33] per annum). A copy of the emerging “Other” package is attached.

The Treasury vote team does not recommend further scaling of the Parliamentary Services initiatives in the emerging “Other” package. The Parliamentary Service will deliver poorer quality services to members of Parliament if their initiatives are not funded in Budget 2017. However, if initiatives were to be scaled we would recommend the *Parliamentary Service – Maintaining Capability and Capacity* and the *Parliamentary Transition* initiative.

Parliamentary Service Initiatives

The Parliamentary Service provides administrative and support services to members of Parliament enabling them to fulfil their duties as elected representatives. There are two elements to this agency:

1. Member Support staff (58% of the workforce) who work with members of Parliament and Parliamentary political party offices.
2. Corporate Support staff (42% of the workforce) who provide services to the House of Representatives, members of Parliament and agencies within the Parliamentary precincts.

[33] Parliamentary Service initiatives have been submitted for consideration in Budget 2017. These total [33] per annum in operating expenditure.

The Parliamentary Service makes capability bids in an election year to ensure that adequate resources are available for the new Parliamentary term. The Service does not plan to submit any further bids until the next election year.

The emerging “Other” package is made up of:

- [33] initiatives that are included, at a total of [33] per annum (out of a total [33] per annum bid for),
- [33]
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Initiatives that are included in the emerging “Other” package

Parliamentary Service – Maintaining Capability and Capacity (9554)

\$ million	2017/18	2018/19	2019/20	2020/21	4YT	Avg.
Department sought	3.244	4.789	5.773	5.773	19.579	4.895
Emerging package	3.244	4.789	5.773	5.773	19.579	4.895
<i>Department description:</i> Funding is to continue to provide the administrative and support services to members of Parliament.						

This initiative funds Corporate Support services including salary increases, rent, depreciation, other precinct costs and additional cyber security capability. This initiative would enable the Parliamentary Service to continue to deliver support services to members of Parliament at current standards. Funding can be broken down into the following:

- The salary component (\$7.350 million over four years) allows about 80 staff to be brought up to 85% (the minimum level agreed) of their salary band.
- A further \$2.400 million over four years is required to fund current salaries which were funded in 2016/17 by a one-off transfer of funding from 2015/16. This initiative allows the Parliamentary Services to continue to respond to findings in the 2014 Performance Improvement Framework (PIF) review, including to pay staff at market rates.
- [33]
- The Learning and Development component (\$1.600 million over four years) responds to the 2014 PIF review where “Leadership and Workforce Development” was assessed as weak.
- ICT support and licences mainly funds extended licences for mobile devices, and increased Library costs for media monitoring and increased depreciation costs because the collection is now a Departmental asset (\$2.469 million over four years).

- The funding sought for cyber security capability (\$3.690 million over four years) will enable the Parliamentary Service to begin to implement appropriate cyber security systems.

We have closely examined the Parliamentary Service's baselines and we consider there is little capacity to absorb these costs without impact on service levels. Nevertheless, Ministers may wish to ask the Parliamentary Service to absorb these costs and scale this initiative. This could be the salary, and learning and development component which would **save \$2.238 million per annum**.

Parliamentary Transition (9555)

\$ million	2017/18	2018/19	2019/20	2020/21	4YT	Avg.
Department sought	2.947	-	-	2.947	5.894	1.474
Emerging package	2.947	-	-	2.947	5.894	1.474
<i>Department description:</i> Funding is for preparing for and transitioning members of Parliament from the 51st to the 52nd Parliament and will also cover the contractual obligations the Service has to provide member support staff who are unsuccessful in gaining a new event based contract for the 52nd Parliament.						

The Treasury vote team considers that this initiative is non-discretionary as it funds additional costs for the Parliamentary Service to manage changes resulting from the 2017 election. The main elements are:

- establishing members' offices – both on precinct and in the regions they represent (including supporting ICT equipment),
- establishing their Parliamentary funding budgets,
- hiring member support staff, and
- paying member support staff who do not have their event based contracts renewed.

\$2.947 million total could be scaled (\$0.737 million per annum). This would not fund the 2020/21 election transition costs. A Budget bid would be required in the 2020/21 election year.

6th Appropriations Review Committee Recommendations (9556)

\$ million	2017/18	2018/19	2019/20	2020/21	4YT	Avg.
Department sought	3.714	2.388	1.864	3.674	11.640	2.910
Emerging package	3.714	2.388	1.864	3.674	11.640	2.910
<i>Department description:</i> Funding is to implement the recommendations of the 6th Appropriations Review Committee. The recommendations flow from the review committee established under the Parliamentary Service Act 2000 which requires that each Parliamentary term there is an independent review and evaluation of the adequacy, effectiveness and efficiency of funding for the Parliamentary Service and members of Parliament.						

The Treasury vote team considers that this initiative is non-discretionary as it implements the findings of the 6th Appropriations Review Committee (ARC) recommendations. These recommendations are made to the Parliamentary Service Commission who agree the final recommendations. This is the first major revision of the Member Support provisions since 2007.

Member Support Staff – Maintaining Capability and Capacity (9557)

\$ million	2017/18	2018/19	2019/20	2020/21	4YT	Avg.
Department sought	1.048	1.397	1.397	1.397	5.239	1.310
Emerging package	1.048	1.397	1.397	1.397	5.239	1.310
<i>Department description:</i> Funding for market movement and related personnel costs for remuneration for member support staff.						

The Treasury vote team supports the *Member Support Staff - Maintaining Capability and Capacity* initiative as it provides a once in three year opportunity to align the roles required for the 52nd Parliament to market rates. This was last done in 2013/14 for the 51st Parliament. The movement has been validated by Ernst and Young. The number of FTEs per member of Parliament is set by formula, which limits the ability of the Parliamentary Service to absorb costs by reducing staffing levels. This initiative funds Member Support Staff which is not covered by the 6th ARC recommendations, above.

Members’ Communications – Additional Support (9559)

\$ million	2017/18	2018/19	2019/20	2020/21	4YT	Avg.
Department sought	0.575	0.575	0.575	0.575	2.300	0.575
Emerging package	0.575	0.575	0.575	0.575	2.300	0.575
<i>Department description:</i> Funding to enable. Members of Parliament to meet the communication needs that are required to fulfil their role effectively.						

The Treasury vote team supports the *Members’ Communications – Additional Support* initiative. This is a demand-driven appropriation which is under pressure as Members seek to use mobile devices when they are out of Wellington. The Service already participates in All of Government contracts for:

- mobile voice and data services, and
- office supplies.

The Parliamentary Service is unable to continue to transfer underspends from other parts of their baseline funding to fund these services.

Travel of members and Others – Additional Support (9560)

\$ million	2017/18	2018/19	2019/20	2020/21	4YT	Avg.
Department sought	0.250	0.250	0.250	0.250	1.000	0.250
Emerging package	0.250	0.250	0.250	0.250	1.000	0.250
<i>Department description:</i> Funding to enable members of Parliament to meet the travel needs that are required to fulfil their role effectively						

The Treasury vote team supports the *Travel of Members and Others– Additional Support* initiative. This is a demand-driven appropriation where the Parliamentary Service is responsible for meeting the costs of members' travel.

The Parliamentary Service is unable to continue to transfer underspends from other parts of their baseline funding to fund these services.

Initiative that is deferred in the emerging “Other” package

[33]

[34]

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