

# Parliament & the budget



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Recent Parliamentary Budgeting Developments**

**Introduction by:**

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- I. Dutch Parliament & Public Expenditure Committee
- II. Recent developments
- III. Staff of Parliament



# I. Dutch Parliament & Public Expenditure Committee











# Parliament in the Netherlands



<b>House of Representatives</b>	<b>Senate</b>
150 members (directly elected)	75 members (indirectly elected)
Right of amendment Right of initiative	No right of amendment No right of initiative
Crucial role in amending and approving the budget	Passive role in budget- process

# Parliamentary Groups



- 1) People's Party for Freedom and Democracy (VVD, 31 seats) 
- 2) Labour Party (PvdA, 30 seats) 
- 3) Freedom Party (PVV, 24 seats) 
- 4) Christian-Democratic Appeal (CDA, 21 seats) 
- 5) Socialist Party (SP, 15 seats) 
- 6) Green Left (GL, 10 seats) 
- 7) Democrats '66 (D'66, 10 seats) 
- 8) Christian Union (CU, 5 seats) 
- 9) Calvinist Political Party (SGP, 2 seats) 
- 10) Animal Rights Party (2 seats) 

# Committees



## Standing committees

- Defence
- Economic Affairs, Agriculture and Innovation
- Education, Culture and Science
- European Affairs
- Finance
- Foreign Affairs
- Health, Welfare and Sport
- Interior
- Security and Justice
- Kingdom relations
- Social Affairs and Employment
- Infrastructure and Environment
- Immigration and Asylum

## General Committees

- Credentials Committee
- Intelligence and Security Committees
- Petition Committee
- Presidium
- Procedure Committee
- Public Expenditure Committee

# The Public Expenditure Committee



## Main topics concerning the PEC:

- **Matters concerning efficiency and effectiveness of public expenditures**
- **Advises on major projects with special parliamentary status**
- **The audit reports of the Court of Audit**
- **Matters concerning the budget and accounting act**

# Finance Committee vs. PEC



## Finance Committee

- Deals with the yearly overall budget
- Deals with the budgetary policy
- Deals with expenditures as well as the revenues

## Public expenditure committee

- Deals with general questions about the budgetary system
- Has a mainly advisory task



## II. Recent developments



# National Budget



- **National budget consists of 27 separate chapters; every chapter is a bill which has to be approved by parliament**
- **Every single budget bill is voted on in the House as well as in the Senate; every minister is responsible for his own budget bill(s)**

## Recent developments:

- **more “realistic” result orientated budgeting (shift of focus from outcome based to output based budget law and annual report)**
- **more information requested by parliament about the balance of the State and the amount of state provided guarantees**

# Financial crisis & Parliament



- Two parliamentary inquiries
- Minister of Finance was asked for appendix on the budgetary notes with information about all the measures taken by government
- 2 reports every year by National Court of Audit about measures concerning financial crisis

# Discussing the Budget bills in Parliament



- I. **Third Tuesday in September: budget bills presented (Princes Day)**
- II. **Day after Princes Day: plenary meeting with all ministers present in Parliament (General Political Review)**
- III. **October: plenary meeting with minister of Finance (General Financial Review)**
- IV. **Committees will handle their own budget bill**
- V. **December: voting on the budget bill**

# Annual reports

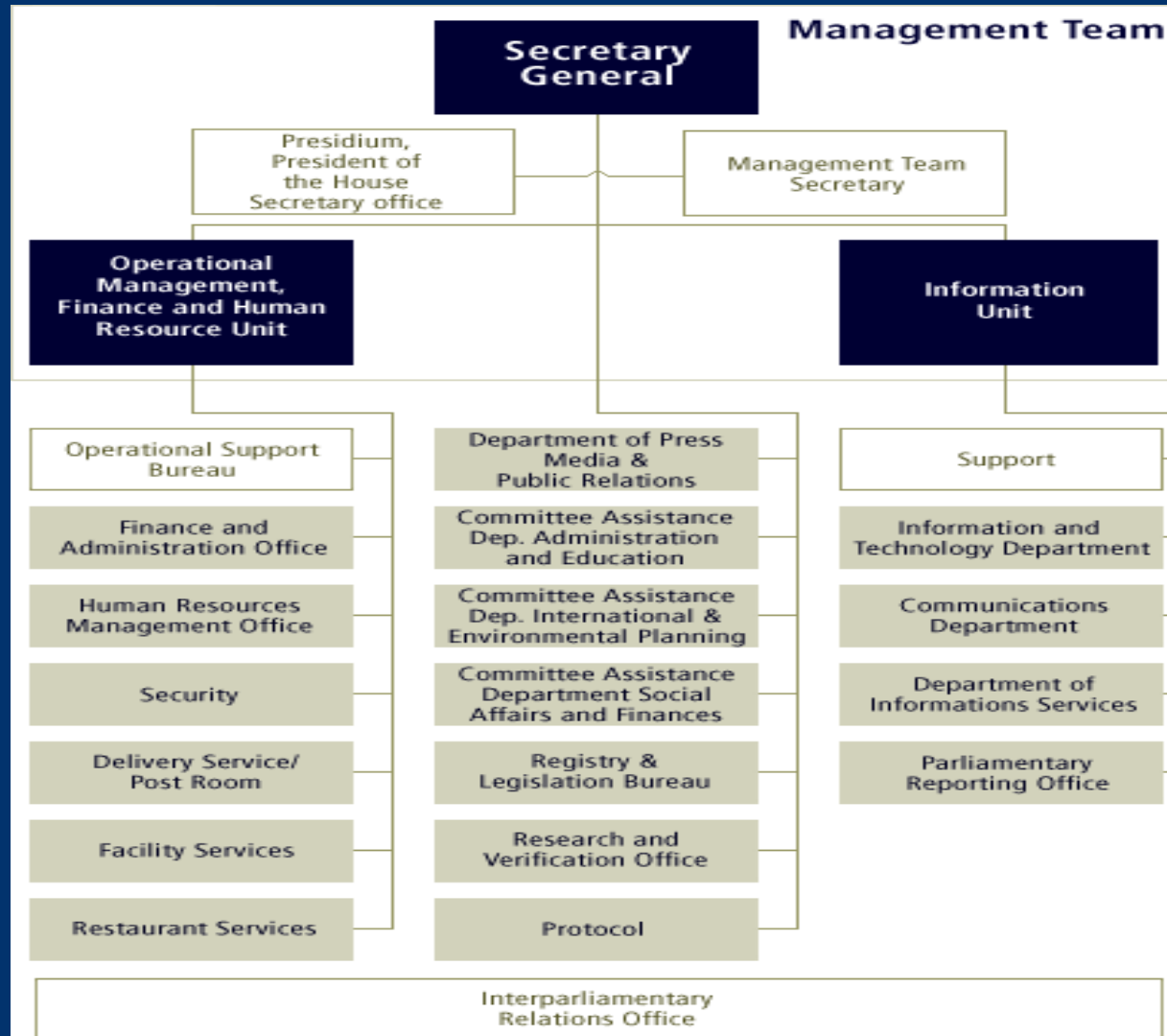
- Presented to Parliament on “Accountability Day” (Third Wednesday in May)
- Every minister has its own annual report
- Netherlands Court of Audit presents “reports on the annual reports” giving judgments about the regularity of the budget and about the financial management of every ministry
- New developments:
  - The process of discharge is given more political attention in parliament
  - Balance of the State as a political instrument (?)
  - Budgetary cuts (coalition program: €18 billion reduction of public expenditure 2011-2015) will be monitored by the Supreme Audit Institution



# III. Staff of Parliament

Total staff app. 580 fte

# Organization administration House of Representatives





# Support for MP's and committees

## 'Political support'

- All individual MP's have a budget to hire one personal assistant
- Political parties are granted a fee per MP and have their own (personnel) resources

## 'Staff support'

- All committees are supported by:  
(1) the Committee Assistance Department and  
(2) specialized departments

# Committee Assistance Department



- **3 Committee Assistance Departments (app. 20 FTE each) supporting every committee**
- **Every committee has it's own staff:  
1 clerk; 1 or 2 deputy-clerks; 1 or 2 assistants**
- **Committee staff :**
  - preparing all committee-activities
  - giving oral or written advice on procedures
  - making analysis about documents of government (draft bills, policy papers, letters of the ministers, etc.)



# Specialized Departments



**2 specialized departments:**

- **Legislation Bureau (5 FTE)**
- **Parliamentary Bureau for Research and Public Expenditure (12 FTE)**

# Parliamentary Bureau for Research and Public Expenditure (Dutch: “BOR”)



- Dutch abbreviation: “BOR” (= Bureau Onderzoek en Rijksuitgaven)
- BOR is a relatively small Bureau:  
1 head of office, 8 (senior) staff members, 2 general annalists, 1 assistant
- Three main tasks of the BOR:
  1. assisting parliamentary research
  2. verification of reports
  3. advising committees on budgetary matters

# 1. Parliamentary Research

- **Two types of parliamentary research:**
  1. **by parliament itself (conducted by a temporary inquiry committee)**
  2. **on request of parliament (conducted by the Court of Audit, university, private research bureau, etc.)**

## **Role of the BOR:**

- **advising on procedures and methodology**
  - **mediating between the committee and the researchers**
  - **participating in the staff of an inquiry committee**
- **New development: since 2009 parliament has its own “Research and Future Agenda”**
    - **every year three parliamentary surveys/explorations**
    - **chosen and conducted by parliament itself**
    - **focused on developments in the (near) future**

## 2. Verification

- **Verification of some of the studies/reports/ investigations that are presented (by Cabinet) to Parliament**
- **The BOR provides a written ‘verification-report’ to the committees involved in which a judgement is given about:**
  - methodology of the study
  - validity of the conclusions
  - the way the results of the study are presented by the cabinet to Parliament (‘selective shopping’, ‘jumping to conclusions’)



# 3. Advising on budgetary matters

- BOR provides on request of every committee written reports on matters concerning the budget or parliamentary control
- BOR has a specific task to support the Public Expenditure Committee.
- Examples of BOR-reports:
  - about the budget bills and the annual reports
  - about major projects
  - about matters of effectiveness and efficiency of public organizations or current policy