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

Tweede Kamer der Staten-Generaal
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

Tweede Kamer der Staten-Generaal
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

Tweede Kamer der Staten-Generaal
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.