

Date: 29 January 2015

To: Liam Stoneley

From: John Wilson, Research Analyst, Parliamentary Research Service

Request: Cost of parliament

Date of request: 26 January 2015

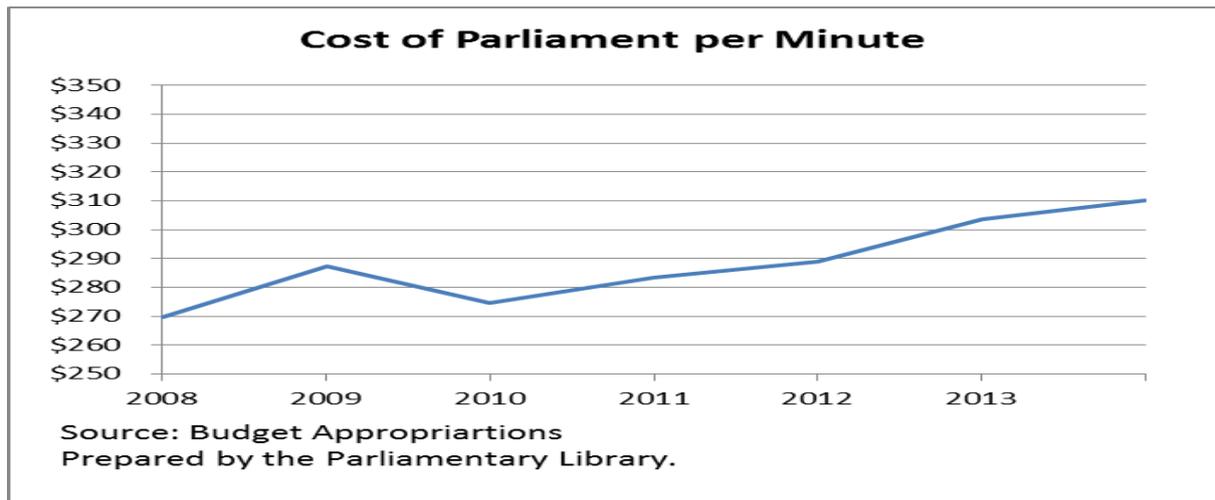
You asked:

1. Do you have any reports or articles that breakdown the cost to run Parliament, either by the day, hour or minute and how that was calculated?

a) I have compiled the following table that provides a breakdown of costs by the time periods you specify. It shows for example that parliament cost \$310 per minute in 2014.

COST OF RUNNING PARLIAMENT								
Please see disclaimer (1)								
	Actual Expenditure \$000	Estimated Expenditure \$000	2008-14 Change (%)					
Year Ending June (FINANCIAL YEAR)	2008	2009	2010	2011	2012	2013	2014	
Vote Parliamentary Service	123,953	130,129	124,178	130,898	134,403	142,671	142,014	14.57%
Vote Office of the Clerk	17,859	20,982	20,210	18,169	17,453	16,999	21,041	17.82%
<i>(Excl. DPMC, PCO & Ministerial Services ie Ministerial salaries et al)</i>								
Total Cost of Parliament (Year)	\$ 141,812	\$ 151,091	\$ 144,388	\$ 149,067	\$ 151,856	\$ 159,670	\$ 163,055	14.98%
Real expenditure (CPI adj) (\$2014)	\$ 159,722	\$ 167,025	\$ 157,001	\$ 153,963	\$ 155,366	\$ 162,250	\$ 163,055	2.09%
CPI Index (June years)	1061	1081	1099	1157	1168	1176	1195	12.63%
Cost by Time Period								
Cost per minute (24 hours a day, 365 days per year))	\$ 270	\$ 287	\$ 275	\$ 284	\$ 289	\$ 304	\$ 310	14.98%
Cost per working minute	\$ 1,133	\$ 1,207	\$ 1,154	\$ 1,191	\$ 1,213	\$ 1,278	\$ 1,303	14.98%
<i>(assuming most staff work 40 hours out of the 168 in a week i.e. cost is \$513 x 168/40)</i>								
Cost per hour (24 hours a day, 365 days per year))	\$ 16,189	\$ 17,248	\$ 16,483	\$ 17,017	\$ 17,335	\$ 18,227	\$ 18,614	14.98%
Cost per day (overall average)	\$ 388,526	\$ 413,948	\$ 395,584	\$ 408,403	\$ 416,044	\$ 437,452	\$ 446,728	14.98%
Real cost per day (CPI adj) (\$2012)	\$ 437,595	\$ 457,602	\$ 430,139	\$ 421,818	\$ 425,661	\$ 444,520	\$ 446,728	2.09%
Number of sitting hours (House & Committee)	511.39	532.29	578.54	560.28	425.46	582.45	541.64	5.92%
sitting hours as % total hours	29.0%	49.5%	34.2%	33.6%	38.9%	32.1%	37.5%	29.23%
Cost per sitting hour	\$ 23,375	\$ 69,686	\$ 29,264	\$ 29,973	\$ 54,135	\$ 28,279	\$ 42,377	81.29%
Select Committee & sub committee meetings serviced	389	204	500	520	345	589	417	7.20%
Ratio of meetings to hours	3.21	2.86	2.22	2.13	1.93	2.16	2.16	-32.69%
Number of Select Committee & sub committee Hours	1,250	542	1,111	1,109	667	1,231	902	-27.84%
SC hours as % total hours	71.0%	50.5%	65.8%	66.4%	61.1%	67.9%	62.5%	-11.96%
Cost per Select committee hour	\$ 57,136	\$ 70,957	\$ 56,196	\$ 59,327	\$ 84,869	\$ 59,768	\$ 70,570	23.51%
Total hours (sitting + select committee)	1,781	1,074	1,690	1,669	1,092	1,813	1,444	-18.04%
Total parliamentary hours cost (sitting + select committee)	\$ 80,511	\$ 140,643	\$ 85,460	\$ 89,300	\$ 139,004	\$ 88,048	\$ 112,947	40.29%
Number of Bills passed (assents prepared)	143	84	95	124	122	123	153	6.99%
Average total parliamentary hours per bill passed	12	13	18	13	9	15	9	-23.40%
Cost per bill passed	\$ 991,692	\$ 1,798,702	\$ 1,519,874	\$ 1,202,153	\$ 1,244,721	\$ 1,298,130	\$ 1,065,719	7.46%
		AVG 2008-11	\$ 1,506,910		AVG 2011-14	\$ 1,202,857		
Sources: Estimates of Appropriations Information Supporting The Estimates of Appropriations Office of the Clerk, Annual Report, 2004-2012 http://www.parliament.nz/en-NZ/Admin/Agencies/OOC/C http://www.parliament.nz/NR/rdonlyres/B702AB4B-111D-418D-B643-845BDD60609C/202316/OOCAnnualReport2011_5.pdf								
Compiled by John Wilson (x9358) 28/01/2015								

b) Article: See Nick Wilson, Nhung Nghiem, Rachel Foster, Linda Cobiac & Tony Blakely, "Estimating the cost of new public health legislation", *Bulletin of the World Health Organization* <http://www.who.int/bulletin/volumes/90/7/11-097584/en/>



2. *I would also be interested in what this cost encompasses. For example, when the Parliament is in Committee, does it only use the salaries of those Members in the Parliament or all 121 Members?*

These costs are based on the appropriations for Vote: Parliamentary Service and Vote: office of the Clerk. It excludes appropriation expenses for DPMC, PCO, and Ministerial as they are considered governmental or executive agencies.

It should also be noted that:

- a) The costs include, inter alia, the salaries of all 121 MPs and their accommodation and travel expenses, the funding of their parliamentary and out of parliament offices, the parties' support staff and research units, the salaries of the staff of the Parliamentary Service (Library, Security, Catering etc), staff and operational costs of the Office of the Clerk.
- b) Increasing the number of bills passed, the number of sitting hours or the number of minutes spent in committee does not increase the minute or unit cost of Parliament – just the reverse. As the amount of legislation passed or committee hours increases, the unit cost of parliament decreases. Contrast 2012 with 2013 for example, where despite a higher budget in 2013 more sitting hours saw the cost per sitting hour decrease.