

**Hon Margaret Wilson**  
**Speaker of the New Zealand House of Representatives**

**Speech to open the Australasian Study of Parliament Group's  
Annual Conference**

**Legislative Council Chamber  
Parliament House  
Wellington**

**9.00am, Friday 29 September 2006**

Tena koutou, tena koutou, tena koutou katoa.

(Greetings, greetings and greetings to you all)

As Speaker of the New Zealand House of Representatives, it is my very real pleasure to welcome members of the Australasian Study of Parliament Group to New Zealand.

I'd also like to welcome you to our beautiful Legislative Council Chamber. While no longer used for its original purpose - New Zealand abolished its Upper House in 1950 - it is very appropriate that it be used for gatherings such as this where you will be discussing Parliamentary Control of the Executive, the People and the Money.

At the outset I would like to acknowledge the importance of the Australasian Study of Parliament Group and of conferences such as this one. The exchange of knowledge and views in the formal and informal sessions will contribute not only to our individual understanding of this most important of democratic institutions, but also to wider community understanding of the role of Parliament.

Parliament is the cornerstone institution of our democracy yet its role is so little understood. It is too frequently confused with the government of the day. This may be because the separation of powers in New Zealand is confusing, with the Executive comprising an essential element of the Parliament. It is more likely to be however that we take for granted that we have and will continue to have a Parliamentary democracy.

In the New Zealand context this means that the people expect to have a direct say in who is to represent them in the making of decisions that affect their lives and to have access to the political decision-making process through the Select Committees. It also means that those making the decisions are accountable on a continuing basis through direct contact with Members of Parliament and institutions such as the Ombudsman's Office that ensures transparency through the release of official information,

In New Zealand in an MMP environment, and without the checks and balances of an Upper House, or a written Constitution, Select Committees are arguably the place where the most influential and intensive work of the Parliament is conducted – whether it is legislative, or scrutiny.

It is in Select Committees that the public can participate directly in the legislative and scrutiny process. Thousands of people – government officials, members of public bodies, trade unionists, business people, representatives of associations, and individual members of the public - contribute their knowledge or opinions to Select Committee inquiries and consideration of legislation. This interchange between parliamentarian and public, particularly as part of the legislative process, is the most distinctive feature of New Zealand's parliamentary system. I'm sure it is something which you will hear more of in the next day or so.

The context in which you will hear about it is the theme of your conference that continues and develops the 2005 theme of 'Parliament and Accountability'. Last year the focus was primarily on parliamentary oversight of agencies' roles and the development of oversight committees. This year you are addressing the issues of financial accountability and the effectiveness of parliamentary processes in holding the Executive to account.

Of course the control of public finance has historically been a fundamental feature of Parliamentary democracy. Although systems of accountability have evolved over time and vary within different jurisdictions, the quest is to find the accountability and the parliamentary processes for holding the Executive to account that are effective.

The evolution of New Zealand's search for financial accountability is well recited in David McGee's *Parliamentary Practice in New Zealand*, of which I am sure you are aware. I shall not review in detail the various changes that have taken place in New Zealand since the 1989 Public Finance Act, which affected a small revolution in the accountability processes for government expenditure and the management of government assets and liabilities. I note that various speakers are likely to touch on the subject. What I want to touch on is the role of Parliament in this accountability process.

Parliament alone provides the legal authority for the appropriation and expenditure of public funds. Much of the time of Parliament is spent in the scrutiny of the acquisition and expenditure of public funds. It provides the content of much of the political contest that takes place in Parliament. An indication of the accountability of the Executive for public funds is the amount of time dedicated in Parliament for the issue to be debated.

In New Zealand the process of scrutiny begins with the Budget Policy Statement that the Government must publish before 31 March each year. This sets out the short-term fiscal intentions and broad strategic priorities by which Government will be guided in preparing the Budget for the financial year. The Statement is then scrutinised by the Finance and Expenditure Committee that then reports to Parliament. That report is followed by a

debate of 12 speeches of 10 minutes duration, with the speaking order determined under the MMP formula approved by the Business Committee.

The Budget itself must be presented to Parliament by 31 July unless the House decides otherwise. Normally it is presented in May however. The debate that follows its presentation is 14 hours so provides a reasonable opportunity to comment on the Budget and for sustained attack from the Opposition. At the time the Budget is presented to Parliament so are the Estimates that describe the specific allocations of the Appropriation.

It is the task of the Select Committees to examine the Estimates. It is the Finance and Expenditure Committee that allocates which vote will be assigned to what Select Committee. In 2005/06 the Finance and Expenditure Committee examined eight votes and allocated 61 votes to other committees. A standard questionnaire is developed and sent to Ministers, with some committees developing further questions. The Auditor-General's office assists the Committees with the examination of the Estimates.

Officials and the Minister attend the Select Committee for oral examination and after the Committee has completed its consideration of the Estimates it must report back to Parliament within two months of the Budget presentation to Parliament. The Committee of the whole House considers the reports in an eight-hour debate, followed by the three-hour debate on the Third Reading of the Appropriation Bill. The Bill must be passed within three months of the delivery of the Budget. This time limit requires good management but also is required to ensure there is supply.

If the Government requires additional authority to spend money during the year an Imprest Supply Bill, which involves a three-hour debate, may be passed. Overall then Ministers are placed under scrutiny for their votes. I note however from personal experience as a Minister that appearance before the Select Committee often had little to do with the Estimates, but more to do with politics. Relevance in the debates is also a constant issue but the opportunity is there for scrutiny.

In addition to debates associated with appropriation and supply, there are several other debating opportunities in the House where the Government must defend itself. For instance, every Wednesday an hour is set aside for a general debate in which members are free to raise any issues of concern. At the beginning of each sitting day, the House devotes about an hour and a half to 12 questions from members to Ministers about matters within their ministerial responsibility. After the initial reply is given, members can ask supplementary questions to test the Minister's answer. For example the National opposition gets 33/34 supplementary questions every question time. This process keeps Ministers and their departments for which they are responsible on notice that their activities can always be subject to scrutiny. Members can, in addition, lodge an unlimited number of written questions to Ministers.

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The Address in Reply debate, where the House formally responds to the Speech from the Throne delivered by the Governor-General at the State opening of Parliament after a general election, is also another opportunity to raise issues of financial accountability. This debate lasts up to 19 hours.

While debates in the House are very visible examples of Government accountability, the detailed scrutiny occurs as I mentioned earlier at Select Committees. Ministers and officials attend public hearings and answer questions about their performance and policy intentions. Specific issues might also come to committees' attention. They are empowered to launch their own inquiries and to receive briefings. The Government is required to respond within 90 days to recommendations in committee reports.

Overall then the opportunities are there within the context of Parliament to hold the Executive to account for the public finances. How well that is used is up to the members. I am sure there is always room for improvement so this conference will provide a good opportunity for us to learn how we can do better.

Thank you and best wishes for an interesting and informative conference.