## Office and Communication Funding: International Comparison

January 2024

This paper considers how legislatures across the UK and internationally provide support to parliamentarians for constituency offices and communication and engagement activities with constituents.

This paper forms part of the evidence base for the Independent Remuneration Board's review of ways of working and the Office and Constituent Liaison Fund (OCLF). It is common in many of the examples outlined in this report for parliaments to provide support to members to carry out their constituency duties, although the form, scale and level of prescription applied to this support varies significantly.

As with any international comparison, given the different contexts in which parliaments are operating (including economic and political differences), direct comparison of the monetary value of such support is challenging, however this comparison can support discussions about the model of support that Members of the Senedd may require in the Seventh Senedd and the principles on which this support should be designed and reviewed.

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# **1. Executive Summary**

In many political systems around the world, constituency work is a recognised part of parliamentarians' work. Financial support to cover the costs of running a constituency office and to engage with constituents is therefore a common feature in many of the legislatures reviewed for this paper. The scope, scale and model of this support differs significantly, however.

Direct comparison of the monetary value of the support provided in the international examples is challenging, as each parliament will be making decisions related to the economic context in which they operate. This comparison however, can support discussions about the model of support that Members of the Senedd may require in the Seventh Senedd and the principles on which such support should be designed and reviewed.

While the full paper provides a more detailed summary of each legislature, a summary of the key themes is provided below.

#### What is commonly funded and the model of this support

Most of the examples reviewed for this paper provided support for members to have a constituency office and to engage with their constituents. The exceptions were the Nordic nations – Norway, Denmark and Finland – where no information could be found on the respective websites about constituency focused budgets or allowances. Based on the literature, it seems that constituency work in the form undertaken in the UK is not a part of the political tradition in some of these nations.

Those legislatures that do provide support do so in a number of different ways.

- Some provide a single budget to cover the costs of operating an office and undertaking engagement activity similar to the Senedd UK, Ireland, and New Zealand.
- Others have two budgets, one for office costs and another to cover engagement activity

   Scotland, Northern Ireland and Canada. Although Canada differs slightly in that a
   proportion of a budget can be spent on "advertising" (20%).
- Some legislatures provide offices to members that are leased and maintained by parliamentary services, with a budget provided to members to cover office costs and communication activity Australia and Victoria.
- Some legislatures provide a single budget from which members can claim reimbursement of all costs incurred Austria and Germany.

The Senedd is unique in that Members may commission some research activity using the OCLF. This is not provided for in any of the other examples reviewed.

In terms of how financial support for constituency offices and communications operates, many are based on the reimbursement of claims for actual costs. Some do this on a monthly basis others annually. Ireland takes a different approach. TDs set a budget at the start of each year setting out how much of their annual allowance they require per month. TDs are paid their allowance on a monthly basis, with any unspent money repaid.

#### Differences in multi-member constituency systems

From the examples reviewed, the presence of multi-member constituencies does not necessarily mean significant differences in the type of support provided to members. Of relevance ahead of a reformed Seventh Senedd however may be the consideration by some legislatures of the geographic size and/or number of registered voters when the level of support Members receive is calculated. In Canada, Australia, New Zealand and Victoria the number of offices a member may claim costs for or be provided with, and the budget available to them, are linked to the size and/ or voter density of their constituency. There are different electoral systems in operation in all of these examples.

#### Balance of support between Members' budgets and parliamentary services

The balance of support between Members' budgets and parliamentary services support varies significantly across the examples considered in the paper. In the UK examples, it appears that members are largely responsible for establishing and maintaining their offices, including sourcing any necessary legal advice. In New Zealand, parliamentary services provide all members with a standard set of office furniture and equipment. In Australia and Victoria, members are provided with offices that are leased and maintained by parliamentary services. Each office has a standard set-up, and if an office already exists in a member's constituency they are allocated this on election.

#### Level of prescription applied to office leases and set-up

There are varying levels of prescription and standardisation applied to office leases and office spaces. In the UK and Canada, MPs are required to negotiate the inclusion of particular clauses in their leases. For example, UK MPs must negotiate a clause to allow them to give two months' notice in the event of a change in circumstances, e.g. leaving parliament. In Canada, MPs must include mandatory clauses pertaining to lease termination and assignment, method of notice and receipt of notice and accessibility requirements.

In Canada, MPs are also required to ensure that their chosen office has a number of key features, including a reception area, private office for the Member and for employees, a bathroom, accessibility features and telecoms services. In Northern Ireland, strict requirements for office signage are outlined in the Determination.

#### Mitigation for high rental costs in some areas

Two of the examples considered seem to have mitigating action for areas with high rental costs. For the UK Parliament, this is addressed through a different budget level for London-area MPs. In Scotland, if a member can demonstrate that local market variations make it impracticable for them to establish and run a suitable office they can apply for an increase to their maximum annual budget up to £2,500.

#### **ICT** equipment provision

Many parliaments provide a basic set of kit to members and their staff with the ability to purchase additional equipment using constituency office funds, but purchased from parliamentary services to ensure security. Some apply a cap on the number of sets provided (Canada, 5 sets), while others have a budgetary cap (New Zealand, \$3,000).

Members of the Senedd are provided with a maximum of six sets of ICT kit by the Senedd Commission, one for themselves and up to five sets for their staff, with the cost of any additional kit required to be paid from their Office and Constituent Liaison Fund.

#### Level of prescription applied to communicationss and engagement

There is quite significant variation in the level of prescription applied to communication and engagement activity. Some parliaments provide a set of general principles and rules against which members can use their own judgement to determine what is eligible – UK Parliament, Senedd, New Zealand and Canada. Others set out quite comprehensive lists of what is permissible – Ireland, and Australia.

#### **Reporting and accountability**

Most systems involve some form of certification or declaration by members that spend was within the rules and many publish expenses online. Ireland also include an independent audit. All members are eligible for selection for audit, with at least 10% chosen on an annual basis. All members must retain receipts and proof of payment for a period of five years to enable audits to occur (this does not include monthly unvouchered spend for incidental costs). Reports by the independent auditors are published on the Oireachtas website.

#### **Measures to support Additional Office Holders**

Australia is the only example to make specific provision for additional office holders to enable them to access a ministerial office within their constituency. Given the focus on hybrid working going forward, including for Members, the question of office space for ministerial work within constituencies may become more significant in the Seventh Senedd.

# 2. Introduction

The Independent Remuneration Board of the Senedd (the Board) makes independent decisions on the pay and direct support for Members of the Senedd. The Board makes decisions on the basis of three guiding principles:

- 1. Our decisions should be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales.
- 2. Our decisions should support the strategic purpose of the Senedd and facilitate the work of its Members.
- 3. Our decisions should be robust, clear, transparent, sustainable, inclusive and represent value for the taxpayer.

Ahead of each new Senedd term, the Board makes a new Determination on Members' Pay and Allowances. This Determination sets out the system of financial support and remuneration for Members. Each year an annual review considers whether any changes are needed to any allowances, with the exception of Members' Salaries (unless there are exceptional circumstances).

## **Thematic Reviews**

The Board are currently undertaking a programme of thematic reviews, which look in more detail at elements of the Determination. This work is particularly important in the context of proposed Senedd reform, which could significantly change the size and make-up of the Seventh Senedd.

There are five reviews:

- Simplification
- Ways of Working
- Staffing Support
- Support for Political Parties' Allowance (PPSA)
- Members Remuneration and Personal Support

In many political systems around the world, constituency work is a recognised part of parliamentarians' work. As such, many legislatures provide support to members to establish and

operate a constituency office and to undertake communications and engagement activity with their constituents.

As part of the Independent Remuneration Board's thematic review work, consideration is being given to ways of working and the current Office and Constituent Liaison Fund (OCLF). This paper forms part of the evidence base for this thematic review, bringing together information on office and engagement budgets in a number of legislatures across the UK and internationally. While direct comparison of the value of this support in international examples is challenging, each legislature is operating in a unique set of political and economic contexts, consideration of the model of support can provide useful insights ahead of the Seventh Senedd. Of particular interest in light of Senedd reform are examples where multi-member constituencies are in operation or members have larger constituencies to represent.

# 3. Office and Communication Support: UK Legislatures

All of the UK legislatures provide financial support to members for the operation of a constituency office, and to engage with their constituents. The scale and model of this support varies, as does the level of flexibility members have over communication spend. This section of the paper provides a summary of the support provided for in each of the UK legislatures.

## Senedd

Provision is made in Chapter Six of the *Determination on Member's Pay and Allowances* for Members to be reimbursed for "all reasonable costs relating to the running of an office and engaging with constituents". This is the Office and Constituent Liaison Fund (OCLF).

In 2023-24 this was set at £25,610 per annum for Members who maintain an office in their constituency or region, and £10,460 for those who undertake their constituency or regional duties solely from Tŷ Hywel. Members may vire up to 25% of their OCLF to their Staffing Allowance and vice versa.

In addition, Members can claim an office start-up allowance (capped at £5,000 in 2023-24) and those serving a third (or greater) consecutive term may use up to £1000 to refresh some of their office furniture.

Within these spending limits Members may claim for any "reasonable costs associated with maintaining an office and engaging with their constituents", taking account of the principle on political party activity as set out in the Determination. Members may use their own judgement, with advice and support from Members Business Support (MBS) to determine whether costs are eligible under OCLF.

In 2023-24, all Members are provided with six sets of ICT equipment as standard, the costs of which are covered by the Senedd Commission. The OCLF may be used to cover additional ICT equipment, but this must be procured through the Senedd Commission.

#### Leasing an Office

Members must meet a number of requirements in order to claim reimbursement of office rental costs.

- MBS must be notified of the proposal prior to signing
- A qualified valuer must advise MBS that the proposed rent is reasonable
- Legal advice on the suitability of the office lease has been received
- A copy of the executed rental agreement has been deposited with MBS

#### Policy, Research and Communication Costs

Members may also use the OLCF to cover the cost of "obtaining external expertise to advise or assist for a fixed period, to deliver a specific piece of policy, research and communication work."

Research into policy development, exploration of issues of significance to constituents and scrutiny of policy, legislation or finance are permissible.

In terms of engagement activity, typical examples of work that may be procured externally are to:

- Develop resources that make connections between the Senedd's responsibilities, local issues and the Member's activity
- Assist with the development of a professionally produced Annual Report
- Produce regular newsletters

Members may commission work jointly and split costs and may also vire funds to their Group office for the purposes of commissioning policy research only.

## **UK Parliament**

Under the *Scheme of MPs Staffing and Business Costs*, MPs are provided with an office costs budget to "meet the costs of renting, equipping and running" their constituency offices, surgeries and other activities that support their parliamentary functions.<sup>1</sup> In 2023-24 London area MPs had a total budget of £33,840 and non-London MPs had a budget of £30,570.

All MPs are eligible to claim costs under this budget, whether or not they rent office premises. Provided MPs remain within their budget, they may rent more than one office.

While a comprehensive list of eligible costs is not provided – MPs are given the discretion to determine whether claims are in line with the fundamental principles of the Scheme – a short list of ineligible costs are listed:

- Alcoholic drinks
- Stationery provided by the House of Commons
- Newsletters
- Funding of any material, other than websites that contains a party-political logo or emblem
- Personal accountancy or tax advice

A start-up supplement is available for newly elected MPs; in 2023-24 this was £6,000.

#### Leasing an Office

Claims for office rental costs can only be made once an office has been registered with IPSA and required documentation has been received, including the rental agreement.

Once registered, the following costs may be claimed:

- Energy and water bills
- Business rates

<sup>&</sup>lt;sup>1</sup> IPSA The Scheme of MPs' Staffing and Business Costs 2023-24 (revised July 2023)

- Contents insurance
- Buildings insurance
- Rental and usage costs for telephone and internet access

MPs are responsible for checking the terms and conditions of their rental agreements, and must negotiate a clause to allow them to give two months' notice in the event of a change in circumstances, e.g. leaving parliament.

MPs may apply to IPSA for a loan to cover a deposit payable at the start of a tenancy.

Translation costs for Welsh MPs are <u>not</u> charged to the office costs budget. MPs may claim for pooled staffing services from either the office costs or staffing budget.

## **Scottish Parliament**

Members of the Scottish Parliament are entitled to reimbursement of costs "reasonably incurred in the leasing and running of a local parliamentary office in the performance of the member's parliamentary duties."<sup>2</sup>

In 2023-24 the total office-cost provision for constituency Members was £20,100.<sup>3</sup> Given the different arrangements for Regional Members, it is noted that they will be advised on an individual basis what their office-cost provision budget is. Members are also entitled to start-up provision within the first year of a new parliamentary session or following a by-election.

Should a member be able to demonstrate that local variations in the market for office accommodation make it impracticable for them to establish and run a suitable office, the maximum budget can be increased by up to  $£2,500.^4$ 

MSPs may claim reimbursement of the following **office costs<sup>5</sup>**:

<sup>&</sup>lt;sup>2</sup> Scottish Parliament *Reimbursement of Members' Expenses Scheme* <u>https://www.parliament.scot/-</u>/media/files/msps/allowances/members-expense-scheme-2023.pdf [Accessed 30.01.24]

<sup>&</sup>lt;sup>3</sup> Scottish Parliament "Members' expenses" <u>https://www.parliament.scot/msps/members-expenses/allowances-rates</u> [Accessed 31.01.24]

<sup>&</sup>lt;sup>4</sup> Scottish Parliament *Reimbursement of Members' Expenses Scheme* 

<sup>&</sup>lt;sup>5</sup> Ibid.

- The cost of establishing and running a local parliamentary office such as leasing and utility costs.
- The purchase or lease of office furniture or equipment.
- The cost of telecommunications.
- The cost of annual subscriptions, office related services and insurances.
- The cost of overnight accommodation for a member of staff, volunteer or intern when they are required to accompany a member for the purpose of assisting the member in the performance of parliamentary duties.
- The fees for a member attending a seminar or conference.
- Any other costs which are ancillary to the above.

Claims may only be made in respect of a single parliamentary office. The office cannot be used for any political activities.

Should a Member opt to not establish or run a local parliamentary office, their entitlement is reduced by 50%.<sup>6</sup> For those who choose to work from home, they are not entitled to any office-cost provision.

#### Arrangements for Regional Members<sup>7</sup>

Arrangements for regional members are different. Where a single regional member is returned from a registered political party's list or they are not aligned to any party, that member **is** entitled to the reimbursement of office costs.

Where more than one regional member is returned from a registered political party's list those members are only entitled to reimbursement of office costs in respect of one regional office, with costs shared equally between members (there are slightly different arrangements for regional members in specified regions).

<sup>&</sup>lt;sup>6</sup> Ibid. <sup>7</sup> Ibid.

The limit on the entitlement of each participating regional member is as follows:

Number of regional Members	Percentage of limit on office costs applicable to a single regional Member					
-	One office in the region (limit per member)	Two offices in the region (limit per member)				
2	60%	100%				
3	47%	80%				
4	40%	65%				
5	36%	56%				

#### **Engagement Provision**

Costs for engaging with constituents are separate from office-cost provision. Members may claim reimbursement of costs "reasonably incurred in engaging with their constituents in the performance of the member's parliamentary duties."<sup>8</sup> In 2023-24 this was capped at a maximum of £16,500.<sup>9</sup>

Eligible costs include but are not limited to<sup>10</sup>:

- Business meeting expenses
- Postage and mailing costs
- Advertising costs
- The hire of premises for surgeries, public meetings and other meetings with constituents

<sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Scottish Parliament "Members' expenses" <u>https://www.parliament.scot/msps/members-expenses/allowances-rates</u> [Accessed 31.01.24]

<sup>&</sup>lt;sup>10</sup> Scottish Parliament Reimbursement of Members' Expenses Scheme

• The cost of the publication and distribution of newsletters, annual reports and surveys

Each year members may vary their office cost and engagement budgets by a maximum of £5,000, viring between the two.

## **Northern Ireland Assembly**

Members of the Northern Ireland Assembly may recover rent expenses for a constituency office. In 2020, this was capped at £8,500 per year if the office is not shared, £4,000 per year if the office is shared with one or more persons and £6,000 if the office is shared with one or more persons and those persons are all members.<sup>11</sup>

Shared offices can take a number of forms:

- A single office shared by MLAs of the same political party
- Two or more premises in the same building, owned by the same person and used by members of the same party, where one is a member of the House of Parliament

Member's may also recover expenses related to **office start-up** costs to a maximum of £4,000 (in 2020).

To claim costs, the Commission must approve the lease, and signage in line with Commission guidelines must be in place.

A separate budget is provided to MLAs to cover **constituency operating expenses**. In 2020 this was set at  $\pm$ 7,000 per year. Eligible expenses include but are not limited to<sup>12</sup>:

- Utility, broadband and telecoms
- Legal advice associated with leasing the constituency office
- Office furniture, stationery and equipment (including associated maintenance costs)

<sup>&</sup>lt;sup>11</sup> Northern Irish Assembly Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 as amended by the Assembly Members (Salaries and Expenses) (Amendment) Determination (Northern Ireland) 2020 http://www.niassembly.gov.uk/globalassets/documents/your\_mlas/determinations/assembly-members-salariesand-expenses-determination-northern-ireland-2016-as-amended.pdf [Accessed 31.01.24] <sup>12</sup> Ibid.

- ITC consumables and software
- Office cleaning
- Registration with the Information Commissioner's Office
- Signage
- Insurance
- Health and safety
- Reasonable adjustments
- Security measures
- Fire protection measures
- Statutory charges and water rates
- Venue hire for surgeries
- Advertising factual information relating to contact details and times of opening for the constituency office or in relation to the holding of satellite surgeries
- TV license
- Newspapers and periodicals

## At-a-glance comparison of UK legislatures

	Senedd		Scottish Parliament	Northern Ireland Assembly	
support 2022		£30,570 (Outside London)	£36,600	£15,500	
Is this split into No office and engagement budgets?		No	Yes	Yes	
Office Budget			£20,100	£8,500	
Engagement Budget			£16,500	£7000	

# 4. Office and Communication Support: International Examples

Many parliaments offer support to members to carry out their constituency work, often taking the form of a constituency office and related running costs and a budget for communication and engagement with constituents. The model and scale of this support can vary, as can the level of prescription applied, particularly in relation to communication and engagement activity.

This section of the paper outlines the support available to members in a number of parliaments. In light of proposed Senedd reform, the parliaments selected for inclusion are either operating with multi-member constituencies, or systems where members have large constituencies to represent (the electoral system in operation in each of the legislatures is noted below).

## Oireachtas – Ireland

*Electoral System: Members are elected to multi-member constituencies of between 3-5 under STV* 

Members of Dáil Eireann (TDs) receive a Parliamentary Standard Allowance. This is made up of two elements, one of which is the **Public Representation Allowance (PRA)**. The PRA may be used to cover a range of costs outlined in regulations, that are "wholly and exclusively incurred in the performance of his or her duties as a Member".<sup>13</sup> This includes the costs of constituency offices and communication and engagement with constituents.

The current maximum amount, including office holders other than a Minister of the Government or State, is €20,350.

<sup>&</sup>lt;sup>13</sup> Houses of the Oireachtas (2021) *Public Representation Allowance Guidelines on Use of the PRA (SI84/2010 and SI 149/2013)* 

https://data.oireachtas.ie/ie/oireachtas/members/parliamentaryAllowances/other/2021/2021-11-19\_guidelines-on-the-use-of-the-public-representation-allowance-pra-2021\_en.pdf

#### Eligible Spend

Eligible categories of spend are set out in two regulations – SI 84/2010 and SI 149/2013. It is for members to determine whether an expense is eligible under one of the categories of spend, which are deliberately broad, however members may not reinterpret the categories of expenditure.<sup>14</sup>

The categories of spend are as follows<sup>15</sup>:

- Rent, rates and other such charges in relation to an office or offices
- Utilities of an office or offices
- Improvements to office accommodation
- Signage in respect of the constituency office
- Purchase or maintenance of office furniture or equipment
- Purchase of stationery
- Insurance including for office accommodation or equipment and public liability insurance
- Cleaning of office accommodation
- Telephone calls, including line rental and mobile calls related to performance of duties as a Member
- Web hosting and other computer related costs
- Hiring rooms for clinics or other meetings relating to performance of duties as a member
- Leaflet and newsletter distribution
- Advertising relating to the performance of duties as a member
- Attendance at conferences relating to the performance of duties as a member (excluding travel expenses)
- Applicable From 1st February 2012 only Expenses, including any statutory deductions, for the purchase of secretarial support, public relations, information technology (but not internet-related) and training services under a contract for service from a person or service provider, other than (I) Persons engaged or expenses incurred under Regulation 9 or the Regulations of 2008, or (II) Ministerial staff employed under the Guidelines on Staffing Ministerial Offices.

Guidance provided to TDs sets out a number of restrictions on spend in some of the above categories:

<sup>&</sup>lt;sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> https://www.oireachtas.ie/en/members/salaries-and-allowances/parliamentary-standardallowances/ [Accessed 09.01.24]

- An **office** is defined as "a room or rooms used exclusively for or during the relevant period for the transaction of business in the performance of his/her duties as a Member."
- Spend on advertising must be related to a TDs duties as a member and the main purpose must be to "indicate the Member's name, contact details, address, clinic times, the title of the meeting, the venue, time and date."<sup>16</sup> Printing of adverts can only be claimed where this could not be done by the House of the Oireachtas print room. Electoral advertising is not permissible and copies of the advert must be retained and submitted as part of documentation. Graphic design, photography and videography are not included as eligible advertising costs.
- The costs for distribution of **leaflets and newsletters** may be claimed but <u>not</u> printing costs.
- Spend on research is not permitted as this is covered by the Parliamentary Activities
   Allowance<sup>17</sup> and members may also access Research Services provided by the Houses of
   the Oireachtas.<sup>18</sup> Research is taken to include social policy research, research to
   understand the potential impact of legislation and party policy research.
- Members may include in their budget a monthly allowance of €100 to cover **incidental expenses**. This is unvouched.
- Staff training costs may be claimed if related to a member's duties.
- Translation costs may also be claimed.

<sup>&</sup>lt;sup>16</sup> Houses of the Oireachtas (2021) *Public Representation Allowance Guidelines on Use of the PRA (SI84/2010 and SI 149/2013)* 

<sup>&</sup>lt;sup>17</sup> Previously known as the Party Leader's Allowance this is a payment to a party leader to cover costs of parliamentary activities including research. It's allocated on the basis of group size and is similar to the PPSA in terms of purpose and design.

<sup>&</sup>lt;sup>18</sup> Houses of the Oireachtas (2021) *Public Representation Allowance Guidelines on Use of the PRA (SI84/2010 and SI 149/2013)* 

#### Operation of the PRA

The PRA is paid monthly. One month before the 1<sup>st</sup> January each year, TDs must specify the amount of PRA they wish to receive on a monthly basis, which is subject to the annual maximum outlined above. Any unspent money must be repaid, and a top-up may be applied for, to cover overspend, provided this would not exceed the annual maximum amount.<sup>19</sup>

Members must complete a Certificate of Expenditure form annually, which certifies the amount spent and that it was properly spent as outlined in the regulations.<sup>20</sup>

#### Reporting and Accountability

The main accountability mechanism is an annual independent audit of a sample of TDs. All members are eligible for selection for audit, with at least 10% chosen on an annual basis.<sup>21</sup> All members must retain receipts and proof of payment for a period of five years to enable audits to occur (this does not include monthly unvouchered spend for incidental costs). Reports by the independent auditors are published on the Oireachtas website.<sup>22</sup>

## Austria

*Electoral System: list system where members are elected to multi-member constituencies* 

In Austria members of the National Council are entitled to receive reimbursement of operating expenses incurred in the exercise of their mandate. This covers all operating costs, including travel, accommodation, office costs (including operating expenses and expenses for personnel not covered under the Parliamentary Assistants Act), and all other expenses excluding entertainment.<sup>23</sup>

Members are reimbursed actual costs up to a maximum cost. The maximum cost is tied to the monthly salary of a federal servant of the General Administrative Service (employment group A1,

<sup>&</sup>lt;sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>22</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> https://www.parlament.gv.at/en/explore/making-laws/legal-bases/page/index.html [Accessed 09.01.24]

salary level 13). Members may claim up to 12% per month of 98.96% of the relevant federal servant monthly salary.<sup>24</sup>

Expenses are submitted to the Parliamentary Administration for reimbursement no later than three months after the end of the calendar year in which they were incurred.

### Germany

#### Electoral System: Mixed Member System; single member constituencies with overlapping regions

Similarly to Austria, Members of the Bundestag receive a single monthly allowance to cover a range of expenses incurred in connection with their parliamentary mandate. This includes<sup>25</sup>:

- Office expenses, including the establishment and running costs for a constituency office, literature and communication media.
- Additional expenditure incurred at the seat of the Bundestag and travel expenses.
- Travel costs for trips in connection with their mandate within German.
- Additional expenses which are not otherwise defrayable from the professional remuneration and allowances paid to cover the cost of living.

The total value of this allowance is uprated annually, in January, in line with the general cost of living of all households in the previous year.<sup>26</sup> The current allowance rate is  $\leq$ 4,75.48 per month ( $\leq$ 56,705.76 per annum).<sup>27</sup>

<sup>24</sup> Ibid.

https://www.bundestag.de/resource/blob/189732/12f31382e6855396ce43b5bb7b9f0062/memlawdata.pdf [Accessed 09.01.24]

<sup>26</sup> Ibid.

<sup>&</sup>lt;sup>25</sup> Members of the Bundestag Act

<sup>&</sup>lt;sup>27</sup> Ibid.

## **New Zealand**

*Electoral System: Mixed member proportional system electing 120 seats; single member constituencies. Each voting area is covered by a general electorate and a Māori electorate; each electorate choose a member of Parliament to represent them and also have party vote.* 

The costs of an electorate or community office incurred by a Member of the New Zealand Parliament may be covered through one of two sources of financial support provided for in the Speaker's Directions – Party Support Funding or Member Support Funding.<sup>28</sup> These funds must be used to "provide services and resources for the purpose of supporting parties and members in their parliamentary operations."<sup>29</sup>

The number of offices for which costs can be claimed depends on electorate size, and whether a member is an electorate or regional member. Those with large constituencies may claim costs for up to three offices, other constituency members for two offices and list members for a single office.

Member Support Funding, which can be used to cover the costs of a member's constituency office and communication and engagement activity ("publicity") is formed of three suballocations – a staff sub-allocation, a non-staff sub-allocation and a general sub-allocation.<sup>30</sup> The amount of each of these elements varies depending on whether a member is a constituency or list member, the size of a member's constituency and whether they are a Minister. Staff and general sub-allocations increase on an annual basis, while non-staff sub-allocations do not.<sup>31</sup>

#### The role of Parliamentary Services

A member may only claim the costs of an electorate office if an agreement has been reached with Parliamentary Services that the premises are suitable. Parliamentary Services can consider factors including:

• Whether premises enable parliamentary services and the member to meet obligations

<sup>&</sup>lt;sup>28</sup> New Zealand Parliament *Speaker's Directions 2023 <u>https://www.parliament.nz/en/pb/parliamentary-</u> rules/directions-determinations/speaker-s-directions-2023/ [Accessed 30.01.24]* 

<sup>&</sup>lt;sup>29</sup> Ibid.

<sup>&</sup>lt;sup>30</sup> Ibid.

<sup>&</sup>lt;sup>31</sup> Rates for the current parliamentary term, as set out on the Speaker's Directions 2023 are included at Annex A.

- Whether the member's non-staff sub-allocations will be sufficient to meet the costs
- Whether the member agrees to alterations considered necessary
- Whether it will be practical and cost-effective to operate the office as the member's electorate and community office

A range of services and equipment are provided for members' electorate offices by Parliamentary services, with costs met from Vote Parliamentary Service departmental funding, not Member Support Funding. This includes ICT services and equipment up to a maximum of \$3,000 per member per term, security measures and furniture for evert staff member engaged by Parliamentary Services in that office.<sup>32</sup>

#### Publicity Costs

Members may use Member Support Funding for publicity, defined as "any information intended to bring the parliamentary activities of a member or party to the attention of the public, whether communicated in print or 3-dimensional form or via the internet, optical media, television, radio, or other means of communication."<sup>33</sup>

Any publicity funded through Member Support Funding must:<sup>34</sup>

- Identify at the time of the communication that it has been paid for by parliamentary funds
- Clearly identify the member or party responsible for the publicity
- Not describe or imply that a member represents an electorate or part of an electorate for which they are not the constituency member

#### Reporting and Accountability<sup>35</sup>

Each party and member must prepare a budget at the start of each parliamentary term for how they propose to spend their allocations of party and member support funding. These must be

<sup>&</sup>lt;sup>32</sup> Member support staff are directly employed by Parliamentary Services in New Zealand

<sup>&</sup>lt;sup>33</sup> New Zealand Parliament Speaker's Directions 2023

<sup>&</sup>lt;sup>34</sup> Ibid.

<sup>&</sup>lt;sup>35</sup> Ibid.

updated at the start of each parliamentary year. Monthly expenditure is to be monitored by party leaders and party whips.

Each member must certify that that their itemised actual expenditure complies with the Speaker's Directions.

## Canada – House of Commons<sup>36</sup>

#### Electoral System: First past the post

Members of the Canadian House of Commons are provided with two budgets that cover the costs of constituency offices and communication and engagement costs:

- Constituency Office Budget
- Member's Office Budget

The **Constituency Office Budget** is provided to cover the costs for the legal review of office leases, office rent, utilities, maintenance and repairs, snow remove and property and liability insurance. For 2023-24 this is set at a maximum of \$38,160 based on an average monthly spend of \$3,180. This limit is adjusted annually in line with CPI.

A constituency office is defined as being for the purpose to "help Members carry out their parliamentary functions, such as representing their constituents, and may not be used to promote their re-election, to support a candidate or political party or to facilitate the internal organisation of political parties at any time."

Members may have more than one office in their constituency, but any premises must meet a number of requirements as to what the space must provide – a reception area, private office for the Member and for employees, a bathroom, accessibility features and telecoms services. Members may opt for an independent office, a shared office or an office outside the constituency (with prior written consent from the member who's constituency the office is within). Members must also include a number of mandatory clauses in their lease agreements pertaining to lease termination and assignment, method of notice and receipt of notice and accessibility requirements.

<sup>&</sup>lt;sup>36</sup> https://www.ourcommons.ca/Content/MAS/mas-e.pdf [Accessed 11.01.24]

The **Member's Office Budget (MOB)** is provided to cover costs including employee salaries, service contracts, wireless devices, some operating and travel costs, constituency office expenses not covered by the Constituency Office Budget. Some members receive supplementary elements to their MOB – an elector supplement for those with densely populated constituencies and a geographical supplement for those with larger constituencies. Each Member is provided with up to five managed computing devices and standard software packages, the cost of which is covered by the House Administration central budget. Member's may use their MOB to cover the cost of up to five additional computing devices that are provided by the House. Members are also provided with one multi-functional printer for each official constituency office charged against the House Administration central budget.

## Advertising Expenses

20% of the Member's Office Budget may be used on advertising expenses, for the purpose of communicating with constituents. Such advertisements must support one of the following purposes:

- Provide the Member's office location and contact information
- Describe the services that a Member provides to constituents
- Announce upcoming meetings related to the fulfilment of the Member's constituents
- Support other matters regarding the Member's parliamentary functions such as issuing partisan opinions or advocacy statements

#### Reporting and Accountability

Members must routinely review their financial reports and highlight any errors to ensure the accuracy and validity of the data. Members expenses are subject to public disclosure, and made available every quarter.

## **Parliament of Australia**

#### Electoral System: Single member constituencies using AV

Under the Parliamentary Business Resources Act (PBR), members of the Parliament of Australia are provided with a range of public resources including<sup>37</sup>:

- Electorate office(s) and equipment, and if applicable an office holder salary and satellite office reimbursement
- Office budget, to be used to claim a broad range of office expenses
- COMCAR services (car-with-driver services)
- Private-plated vehicle or vehicles

Any work expenses claimed for must be for the dominant purpose of parliamentary business, which is defined as "parliamentary, electorate, party political or office duties as defined in the PBR Act and determined by the Special Minister of State (SMOS)".<sup>38</sup>

#### Electorate Offices

Electorate offices are provided to all members of the House of Representatives, but are leased, furnished, equipped and maintained by Ministerial and Parliamentary Services (MAPS) and their contracted providers.

Depending on the size of the electorate, a member may be allocated between one and three offices<sup>39</sup>:

- Electorate of less than 25,000km<sup>2</sup> allocated one office
- 25,000km<sup>2</sup> and 350,000km<sup>2</sup> up to two offices
- Over 350,000 km<sup>2</sup> up to three offices

https://maps.finance.gov.au/sites/default/files/2022-07/Parliamentarian%20Induction%20Guide%20-%20eVersion%2021%20June%2022.pdf

<sup>&</sup>lt;sup>37</sup> Induction Guide for Federal Parliamentarians 47<sup>th</sup> Parliament June 2022

<sup>&</sup>lt;sup>38</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> https://maps.finance.gov.au/offices-resources-and-budgets/office-management-property/office-types-andoffice-resources [Accessed 19.01.24]

Some members may also be eligible to claim reimbursement of the costs of one privately leased satellite office. Costs may be claimed in relation to leasing, operating, maintaining, establishing and vacating such an office<sup>40</sup>. Generally, satellite offices come into effect for electorates that are at least 5,000km<sup>2</sup>.

Where there is an established electorate office members will have this allocated to them; all electorate offices have a standard design and fit out.<sup>41</sup> If no office is available a member's State or Territory Manager will identify suitable options and arrange the lease and fit out. Establishing a new office requires the approval of the SMOS.

Office signage is similarly managed and paid for by MaPS, including selecting the size, type and number of signs.

#### Provisions for additional office holders

Members who are a Minister (but not a Parliamentary Secretary), a Presiding Officer, a senior office holder who is a member of the Opposition, or the leader of a minority party the Commonwealth are provided with an office, as determined by the Minister, for official duties. The office must not be used for any commercial purpose.

This office is generally in addition to an electorate office, although on request a combined Ministerial/electorate office or combined office holder/electorate office, can be arranged. Where offices are not combined, offices as a Minister or office holder:

- will usually be located in the Commonwealth Parliament Offices (CPO) in the state or territory where you reside, but may be in another CPO
- may be a separate office located elsewhere, usually in your capital city.

#### Office Expenses Budget

Members are also provided with an office expenses budget. For 2023-24 this amounted to \$160,841.76 plus \$1.99 for each enrolled voter in the member's electorate. This annual budget is subject to indexation in line with CPI each year.

<sup>&</sup>lt;sup>40</sup> Ibid.

<sup>&</sup>lt;sup>41</sup> Induction Guide for Federal Parliamentarians 47<sup>th</sup> Parliament June 2022

The list of eligible spend that can claimed against this budget is quite significant, and set out in the PBR Regulations 2017. They are as follows<sup>42</sup>:

- Printing (with a limit on paper quality)
- Producing electronic material
- Producing an audio poster
- Establishing and maintaining websites
- Printing and distributing postal vote applications
- Office stationery and supplies
- Minor office equipment
- Accessories for ICT
- Software and cloud based services
- Purchasing publications
- Courier costs
- Mobile signage
- Conducting virtual town hall meetings by electronic communication
- Conducting interactive voice response phone surveys
- SMS broadcasting and survey services
- ICT and services provided by the Dept. of Parliamentary Services
- With the approval of the Minister other resources or expenses reasonably required for the conduct of the member's parliamentary business

<sup>&</sup>lt;sup>42</sup> Parliamentary Business Resources Regulations 2017: <u>https://www.legislation.gov.au/F2017L01512/latest/text</u> [Accessed 09.01.24]

• Incidental fees and charges associated with the provision of resources

Social media consultancy and marketing services, and communication or engagement strategy development expenses are not permissible.<sup>43</sup>

#### Reporting and Accountability<sup>44</sup>

The majority of work expenses are claimed on a financial year basis. Members are responsible for managing expenditure within their budget limits. Members are required to personally certify that claims for work expenses, allowances or public resources comply with the PBR Act.

## Parliament of Victoria, Australia

*Electoral System: Voters elect one member of parliament to represent them in the lower house (Legislative Assembly) across 88 electoral districts using preferential voting* 

Members of the Parliament of Victoria are provided with electorate offices and with the Electorate and Communications budget to "fund the operating costs and maintenance of their electorate office and communicate with their electorate in relation to the performance of their public duties."<sup>45</sup>

Members are provided with an **electorate office** that is fitted out to a specified standard. The maintenance of any standard office equipment is covered by parliament.

#### Electorate Office and Communications Budget

The Electorate Office and Communications Budget (EO&C) is calculated on the basis of the number of voters. The value of the EO&C budget is the sum of<sup>46</sup>:

• Total number of voters enrolled in Vicotria, divided by 88 and multiplied by \$1.03 (there are 88 electoral districts)

<sup>&</sup>lt;sup>43</sup> https://maps.finance.gov.au/offices-resources-and-budgets/office-expenses-budget [Accessed 19.01.24]

<sup>&</sup>lt;sup>44</sup> Induction Guide for Federal Parliamentarians 47<sup>th</sup> Parliament June 2022

<sup>&</sup>lt;sup>45</sup> Victorian Independent Remuneration Tribunal *Members of Parliament (Victoria) Guidelines No. 01/2023* https://content.vic.gov.au/sites/default/files/2023-06/Members-of-Parliament-%28Victoria%29-Guidelines-No.-01-2023.pdf

<sup>&</sup>lt;sup>46</sup> Victorian Independent Remuneration Tribunal *Members of Parliament (Victoria) Determination No. 01/2023* https://content.vic.gov.au/sites/default/files/2023-06/Members-of-Parliament-%28Victoria%29-Determination-No.-01-2023.pdf [Accessed 30.01.24]

• Total number of voters enrolled in the Member's electoral district multiplied by \$1.36

Use of the budget must be in line with the overarching obligations as set out in legislation, which includes value for money, dominant purpose of performing public duties<sup>47</sup> and responsible and legitimate purposes.<sup>48</sup> Any party political activity is prohibited. Members are responsible for ensuring that their spend does not exceed the maximum set out in the Determination and they may carry over up to 50% of their allocation into the next financial year.<sup>49</sup>

The EO&C budget can be used on the following **operating and maintenance costs** for an electorate office<sup>50</sup>:

- Electorate officer expenses and associated on-costs (this includes salaries, a significant difference to our model)
- Reasonable out of pocket expenses for electorate officers
- Computer software and ICT systems (any software to be used on equipment provided by Parliament or on the Parliament network, must be approved by the Dept. of Parliamentary Services).
- Purchase and maintenance of additional miscellaneous equipment not included in standard electorate office fit out.
- Office cleaning
- Parliamentary printing not otherwise provided by Parliament
- Photocopier and print consumables, photocopier charges
- Telecoms
- Stationery

<sup>&</sup>lt;sup>47</sup> Public duties are defined in the Guidelines as including committee business, electorate business, ministerial business and parliamentary business.

 <sup>&</sup>lt;sup>48</sup> Victorian Independent Remuneration Tribunal Members of Parliament (Victoria) Guidelines No. 01/2023
 <sup>49</sup> Ibid.

<sup>&</sup>lt;sup>50</sup> Ibid.

- Security costs
- Insurance
- FOIs requests lodged by member as part of casework
- Additional training beyond that provided by parliament
- Expenses related to participation in the Parliamentary Internship Programme
- Reasonable out of pocket expenses of a secondary or tertiary student engaged on work experience (capped at \$25 per day)

#### Permissible **communication costs** include<sup>51</sup>:

- Printed and electronic materials
- Venue hire costs with the Member's electorate
- Member's official website
- Specialist service providers to assist with the publication and transmission of allowable communications provided this is not content development or marketing services more broadly.
- Promotional items

Communication materials must conform with authorship and identification requirements, which can include a party logo and/or name but the use of this must comply with prohibitions on party political activity. Communication that would be regarded as party political activity is defined as soliciting votes; directing how a person should vote by promoting or opposing the election of any candidate at an election, a registered political party or a Member; providing instructions on how to complete a ballot paper; activities associated with pre-selection; surveys for voting intention, preferred leader or preferred political party; communication of derogatory information about a Member, candidate or political party; activities associated with drafting members to a political party; administrative activities to support or grow a political party;

requesting donations, advertising external links to materials that do not comply with the guidelines."<sup>52</sup>

#### Norway, Denmark Sweden and Finland

As all four of these parliaments operate with multi-member constituencies they were considered for this evidence review. Based on the information available online, it does not appear that provision is specifically made for constituency offices and constituency work in any of these legislatures. Based on the literature, it appears that constituency work in the form favoured across the UK is not historically part of the political systems in some of the Nordic nations.<sup>53</sup> This is linked by some to the electoral systems, which favour parties rather than individuals, and the tradition in some nations, such as Finland, for MPs to also serve on municipal councils.<sup>54</sup>

<sup>&</sup>lt;sup>52</sup> Ibid.

 <sup>&</sup>lt;sup>53</sup> D. Arter and T. Raunio (2017) Concluding remarks: Constituency Service or Constituency Effort, Representation, November, 2017 / T. Raunio and T. Ruotsalainen (2018) Exploring the Most Likely Case for Constituency Service: Finnish MPs and the Change towards Personalised Representation, Representation, 54:1, 37-53
 <sup>54</sup> Ibid.

# 5. Conclusion

In many political systems around the world, constituency work is a recognised part of parliamentarian's work, the exception being some of the Nordic nations where electoral systems have focused more on parties than individuals. Financial support to cover the costs of running a constituency office and to engage with constituents is therefore a common feature in the examples considered for this paper.

In a number of the examples included, these costs form part of a single budget, in others the office costs and engagement budgets are split and in others (Austria and Germany), MPs receive a single allowance to cover all of the costs they incur through their parliamentary role.

Of particular interest in the context of Senedd reform is how factors such as multi-member constituencies or geographic size of constituency, shapes constituency office and engagement budgets. From the examples reviewed, the scope, scale and model of this support does not seem to differ significantly from UK models simply due to multi-member constituencies. However, a number of the legislatures reviewed do include consideration of the geographic size and/or the number of registered voters when calculating the value of support provided to members. This can result in members being able to have more than one constituency office, or a higher budget available to them.

Some other notable differences between the legislatures reviewed include:

- The balance of support between members' own support and support directly provided by parliamentary services. On the one end of the spectrum are examples where offices are leased and maintained by parliamentary services, on the other examples where members are largely responsible for all elements of the leasing and maintenance of an office.
- The level of prescription and standardisation expected or required from office spaces. Some either provide standard set-ups or set out in a high level of detail what an office space must include, other models seem to leave much of this to the member's judgement. The Senedd falls into the latter of these.
- The level of prescription applied to communications and engagement activity. Some examples include detailed lists of permissible activity, with strict restrictions on the type of activity members may claim for. Others provide a more concise description of what is permissible or a set of principles and instruct members to use their judgement as to whether activity is compliant. The Senedd is among the more flexible examples included.

- The Senedd differs most notably from all other examples in that an element of the OCLF can be used on commissioned research activity.
- Approaches to reporting and accountability for spend differ quite significantly across the examples reviewed. Most require some form of declaration or certification from members that all spend has been compliant with relevant rules. Ireland includes an independent audit of a sample of members each year.
- Australia make provision for additional office holders, enabling them to access office space within their constituency for ministerial business. While this is the only example to include any additional provisions for office holders, it may be of interest in the context of a hybrid Senedd.

# 6. Annex A: New Zealand Member Support Funding 2023-2025

	Staff sub-allocation			Non-staff	sub-allocat	ion	General sub-allocation		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Large constituency member not a Minister	\$339,438	\$349,625	\$360,132	\$96,647	\$96,647	\$96,647	\$48,454	\$49,586	\$50,753
Large constituency member is a Minister	\$261,308	\$267,150	\$277,238	\$95,360	\$95,360	\$95,360	\$39,630	\$40,501	\$41,400
Constituency member not a Minister	\$255,591	\$263,262	\$271,172	\$72,000	\$72,000	\$72,000	\$36,399	\$37,251	\$38,130
Constituency member is a Minister	\$177,460	\$182,787	\$188,278	\$70,713	\$70,713	\$70,713	\$27,575	\$28,167	\$28,777
List member not a Minister	\$171,744	\$176,899	\$182,212	\$45,464	\$45,464	\$45,464	\$24,134	\$24,707	\$25,297

#### Office and Communication Support: International Comparison

List member is a	\$93,613	\$96,425	\$99,317	\$44,177	\$44,177	\$44,177	\$15,310	\$15,622	\$15,944
Minister									