

## HIGHER SALARIES COMMISSION AMENDMENT BILL

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### EXPLANATORY NOTE

The last general review of salaries and allowances made by the Higher Salaries Commission was made by that Commission as at 1 April 1985.

The Higher Salaries Commission is obliged by law to make general reviews at intervals of not less than 1 year nor more than 3 years.

The Commission is presently conducting a general review.

*Clause 2: Subclause (1)* limits the power of the Commission to grant increases in salary. Rates of salaries fixed by the Commission after the passing of this Bill and before 1 April 1988 are not to exceed by more than 10 percent those payable immediately before the passing of the Bill.

*Subclause (2)* is designed to ensure that proper relativities are maintained in those cases where the salary of any employee or holder of an office is first determined by the Higher Salaries Commission after the passing of this Bill and before the 1st day of April 1988. The Commission must have regard to the limitations imposed by *subclause (1)* and to the need to achieve and maintain fair relativity with the salaries of the employees and holders of offices whose rates of salary are subject to *subclause (1)*.

*Clause 3* limits the power of the Higher Salaries Commission to increase the annual allowances that may be paid to Chairmen of local authorities. Where annual allowances of such Chairmen are determined by the Commission after the passing of this Bill and before 1 April 1988, those annual allowances are not to exceed by more than 10 percent the actual annual allowances payable to those Chairmen immediately before the passing of the Bill.

*Clause 4* provides that any determination made by the Higher Salaries Commission as a result of a general review made after the passing of this Bill and before the 1st day of April 1988 shall, to the extent that it fixes rates of salary, continue in force until at least the close of 31 March 1988.

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No. 109—1

Price \$1.50  
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*Hon. Stan Rodger*

## HIGHER SALARIES COMMISSION AMENDMENT

### ANALYSIS

Title	3. Restriction on increases in annual allowances of Chairmen of local authorities
1. Short Title	4. General review to have effect in relation to salaries until at least 31 March 1988
2. Restriction on increases in rates of salary	

### A BILL INTITULED

### An Act to amend the Higher Salaries Commission Act 1977

BE IT ENACTED by the Parliament of New Zealand as follows:

5    **1. Short Title**—This Act may be cited as the Higher Salaries Commission Amendment Act 1987, and shall be read together with and deemed part of the Higher Salaries Commission Act 1977\* (hereinafter referred to as the principal Act).

10    **2. Restriction on increases in rates of salary**—  
15 (1) Notwithstanding anything in section 19 or in section 20 or in any other provision of the principal Act, no determination made by the Commission after the commencement of this Act and before the 1st day of April 1988, whether under the principal Act or any other Act, shall fix, in respect of any  
15 employee or holder of an office, a rate of salary that exceeds by more than 10 percent the rate of salary payable to the employee or the holder of the office immediately before the commencement of this Act.

20 (2) Notwithstanding anything in section 19 or section 20 or in any other provision of the principal Act, where the salary of any employee or holder of an office is first determined by the

\*1977, No. 110

Amendments: 1980, No. 31; 1982, No. 40; 1983, No. 125; 1985, No. 20; 1985, No. 135

Commission after the commencement of this Act and before the 1st day of April 1988, the Commission shall, in determining the salary of that employee or holder of an office, have regard, as overriding criteria,—

- (a) To the limitations imposed by **subsection (1)** of this section; 5  
and
- (b) To the need to achieve and maintain fair relativity between the salary of that employee or holder of an office and the salaries of the employees and holders of offices whose rates of salary are subject to 10  
**subsection (1)** of this section.

**3. Restriction on increases in annual allowances of Chairmen of local authorities**—Notwithstanding anything in section 214A of the Local Government Act 1974 or in the principal Act, no determination made by the Commission 15 under section 214A (1) of the Local Government Act 1974 after the commencement of this Act and before the 1st day of April 1988 shall fix, in respect of the Chairman of any local authority, a maximum or actual annual allowance that exceeds by more than 10 percent the actual annual allowance that may 20 be paid to that Chairman immediately before the passing of this Act.

**4. General review to have effect in relation to salaries until at least 31 March 1988**—Where a general review under section 19 (3) of the Act is made by the Commission after the 25 commencement of this Act and before the 1st day of April 1988,—

- (a) Every determination of the Commission which results from that general review shall, to the extent that it fixes rates of salary, continue in force until at least 30 the close of the 31st day of March 1988; and
- (b) Nothing in section 19 (6) or in section 20 of the principal Act shall have effect in respect of the rates of salary determined at that general review.