

**THE PARLIAMENTARY ALLOWANCES DETERMINATION
1981**

PURSUANT to section 16 of the Civil List Act 1979 and to the Higher Salaries Commission Act 1977, the Higher Salaries Commission hereby makes the following determination (to which is appended an Explanatory Memorandum).

DETERMINATION

1. Title and commencement—(1) This determination may be cited as the Parliamentary Allowances Determination 1981.

(2) This determination shall be deemed to have come into force on the 1st day of April 1981.

2. Allowances—(1) The allowances payable pursuant to section 16 of the Civil List Act 1979 shall be those set out in the Schedule to this determination.

(2) Each allowance provided for in the Schedule to this determination shall be paid to the recipient for the purpose of providing for expenses incurred by that recipient in connection with that recipient's official and Parliamentary duties.

3. Revocations—(1) Clause 3 of, and the Second Schedule to, the Parliamentary Salaries and Allowances Determination 1980* are hereby revoked.

(2) The Parliamentary Salaries and Allowances Determination 1980, Amendment No. 2† is hereby revoked.

*S.R. 1980/95
 Amendment No. 1: (*Revoked by S.R. 1980/257*)
 Amendment No. 2: S.R. 1980/199
 Amendment No. 3: (*Revoked by S.R. 1981/134*)
 Amendment No. 4: (*Revoked by S.R. 1981/218*)
 Amendment No. 5: S.R. 1981/218
 †S.R. 1980/199

Cl. 2

SCHEDULE

ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT 1979

Members of the Executive

1. Expense allowance—There shall be paid to each Minister of the Crown and to each Parliamentary Under-Secretary an expense allowance in accordance with the following table:

Office	Yearly Rate of Expense Allowance \$
Prime Minister	14,000
Deputy Prime Minister	6,000
Each Minister of the Crown holding a portfolio or portfolios (other than the Prime Minister or the Deputy Prime Minister)	5,750
Each Minister of the Crown without portfolio	4,500
Each Parliamentary Under-Secretary	4,500

2. Additional allowance for Minister of Foreign Affairs—There shall be paid to the Minister of Foreign Affairs, in addition to his expense allowance under clause 1 of this Schedule, an allowance at the rate of \$5,000 a year to provide for expenses incurred in connection with his official duties.

3. Travelling allowances—(1) There shall be paid to each Minister of the Crown and to each Parliamentary Under-Secretary an allowance for every day on which he is travelling within New Zealand on public service.

(2) The allowance payable in accordance with this clause shall be \$58 a day:

Provided that the allowance shall be \$116 for any day on which the person entitled attends by reason of the duties of his office an official function to which the person is invited or is required to go primarily because he holds the office and which his wife necessarily attends and which involves him and his wife in requiring overnight accommodation away from home.

4. House allowance—There shall be paid to each Minister of the Crown or Parliamentary Under-Secretary who is not provided at the public cost with a residence at the seat of Government a house allowance at the rate of \$600 a year.

Officers of the House

5. Speaker—There shall be paid to the Speaker of the House of Representatives—

- (a) A basic expense allowance at the rate of \$2,500 a year; and
- (b) An additional allowance at the rate of \$4,600 a year to provide for expenses incurred in connection with his office as Speaker; and
- (c) An electorate allowance at the appropriate rate specified in clause 10 of this Schedule, but abated by one-third of that rate; and
- (d) A day allowance, where it is payable in accordance with clause 11 of this Schedule, at the rate specified in that clause; and

SCHEDULE—*continued*

- (e) A travelling allowance, at the rate prescribed by clause 3 (2) of this Schedule, for every day on which he is travelling away from Wellington or his electorate but within New Zealand on official business.

6. Chairman of Committees—There shall be paid to the Chairman of Committees of the House of Representatives—

- (a) A basic expense allowance at the rate of \$2,500 a year; and
(b) An additional allowance at the rate of \$2,700 a year to provide for expenses incurred in connection with his office as Chairman of Committees of the House of Representatives; and
(c) An electorate allowance at the appropriate rate specified in clause 10 of this Schedule, but abated by one-third of that rate; and
(d) A day allowance, where it is payable in accordance with clause 11 of this Schedule, at the rate specified in that clause.

Leader and Deputy Leader of the Opposition

7. Leader of the Opposition—There shall be paid to the member of the House of Representatives who is for the time being Leader of the Official Opposition—

- (a) An expense allowance at the rate of \$5,750 a year; and
(b) Where he resides in Wellington, a house allowance at the rate of \$600 a year; and
(c) Where he does not reside in Wellington—
(i) A day allowance, where it is payable in accordance with clause 11 of this Schedule, at the rate specified in that clause; and
(ii) A night allowance, where it is payable in accordance with clause 12 of this Schedule, at the rate specified in that clause; and
(d) A travelling allowance, at the rate prescribed by clause 3 (2) of this Schedule, for every day on which he is travelling outside his electorate but within New Zealand in connection with his official duties.

8. Deputy Leader of the Opposition—There shall be paid to the member of the House of Representatives who is for the time being Deputy Leader of the Official Opposition—

- (a) A basic expense allowance at a rate of \$2,500 a year; and
(b) An additional allowance at the rate of \$2,250 a year to provide for expenses incurred in connection with his office as Deputy Leader of the Official Opposition; and
(c) An electorate allowance at the appropriate rate specified in clause 10 of this Schedule; and
(d) A day allowance, where it is payable in accordance with clause 11 of this Schedule, at the rate specified in that clause; and
(e) A night allowance, where it is payable in accordance with clause 12 of this Schedule, at the rate specified in that clause.

SCHEDULE—*continued**Members*

9. Allowances—There shall be paid to each member of the House of Representatives to whom the foregoing provisions of this Schedule do not apply—

- (a) A basic expense allowance at the rate of \$2,500 a year; and
- (b) An electorate allowance at the appropriate rate specified in clause 10 of this Schedule; and
- (c) A day allowance, where it is payable in accordance with clause 11 of this Schedule, at the rate specified in that clause; and
- (d) A night allowance, where it is payable in accordance with clause 12 of this Schedule, at the rate specified in that clause.

Particular Allowances

10. Electorate allowances—(1) The electorate allowance payable under clauses 5 (c), 6 (c), 8 (c), and 9 (b) of this Schedule, in the case of a member for a General electorate, shall, subject to the provisions of those clauses, be—

- (a) In the case of a member for a wholly urban electorate or for a substantially urban electorate, \$4,500 a year;
- (b) In the case of a member for a partially urban and partially rural electorate, \$6,250 a year;
- (c) In the case of a member for an ordinary rural electorate or for a predominantly rural electorate, \$8,250 a year.

(2) The electorate allowance payable under clauses 5 (c), 6 (c), 8 (c), and 9 (b) of this Schedule shall, subject to the provisions of those clauses, be—

- (a) In the case of the member for the Southern Maori electorate, \$9,250 a year;
- (b) In the case of the member for any other Maori electorate, \$8,250 a year;
- (3) For the purposes of this clause an electorate is—
 - (a) A wholly urban electorate; or
 - (b) A substantially urban electorate; or
 - (c) A partially urban and partially rural electorate; or
 - (d) An ordinary rural electorate; or
 - (e) A predominantly rural electorate,—

if it is classified as such by the Representation Commission established under the Electoral Act 1956 in its report dated the 18th day of March 1977 (Parliamentary Paper H. 1 of 1977).

11. Day allowance—The rate of the day allowance under clauses 5 (d), 6 (d), 7 (c) (i), 8 (d), and 9 (c) of this Schedule shall be \$12 for—

- (a) Each sitting day while Parliament is in session, being a day on which the member attends the sittings of Parliament or of any Select Committee of Parliament; and
- (b) Each day, while Parliament is not in session, on which the member attends the sittings of a Select Committee of Parliament of which he is a member or which he is required to attend because of being in charge of a Bill or other matter under consideration by the Committee or for any other valid reason relating only to the business of the Committee, or on which the member attends a

SCHEDULE—*continued*

properly notified meeting of a party caucus or of a committee of a party caucus (being a committee with a quorum of not less than 3), or on which the member attends in Wellington any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives; and

- (c) Each day on which the member is in Wellington, but is unable to attend any such sittings because of sickness or some other reason accepted by the Speaker of the House of Representatives as sufficient; and
- (d) In the case of any Whip, any other day on which he is in Wellington on Parliamentary business.

12. Night allowance—The rate of the night allowance under clauses 7 (c) (ii), 8 (e), and 9 (d) of this determination shall be \$26 for each night on which the member requires overnight accommodation away from his home outside Wellington—

- (a) By reason of his proceeding by the ordinary means of transport available to him for the purpose of attending the sittings of Parliament or of a Select Committee of Parliament, or a properly notified meeting of a party caucus or of a committee of a party caucus (being a committee with a quorum of not less than 3), or for the purpose of attending in Wellington any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives, on an occasion when he is entitled to the day allowance for the attendance:

Provided that the night allowance shall not be payable under this paragraph in respect of any night on which accommodation is included in the fare paid on behalf of the member out of money appropriated by Parliament; or

- (b) For the purpose of attending the sittings of Parliament or of a Select Committee of Parliament, or a properly notified meeting of a party caucus or of a committee of a party caucus (being a committee with a quorum of not less than 3), or for the purpose of attending in Wellington any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives, on an occasion when he is entitled to the day allowance for the attendance; or
- (c) In the case of any Whip, by reason of his attendance in Wellington on Parliamentary business.

13. Allowance payable to member travelling within New Zealand on public business—A member of Parliament who, at the request of a Minister of the Crown, travels within New Zealand on public service, shall (except where the travel is undertaken by the member wholly within the member's own electorate) be entitled to be paid—

- (a) For every day on which the member is so travelling, an allowance at the rate prescribed by clause 3 of this Schedule; and
- (b) Where the member travels by public transport, an allowance equal to the amount of any fares paid by the member; and

SCHEDULE—*continued*

- (c) Where the member uses any other mode of transport that is reasonable in the circumstances, an allowance equal to the actual and reasonable cost to the member of using that mode of transport (which allowance shall not exceed, in respect of the use by the member of a private motorcar, the allowance payable in accordance with the scale applicable in the Public Service to the use by employees of the Public Service of private motorcars on official business).

14. Setting-up allowance—There shall be paid to each member of the House of Representatives who is elected for the first time, to provide for the cost of establishing an office and obtaining the equipment necessary to enable him to carry out his duties, a setting-up allowance of \$350.

Dated at Wellington this 13th day of October 1981.

E. A. MISSEN, Deputy Chairman.

W. L. BIRNIE, Member.

EXPLANATORY MEMORANDUM

The responsibility for the determination of Parliamentary salaries and allowances is vested solely in the Higher Salaries Commission by the Higher Salaries Commission Act 1977. Members of Parliament have not been the arbiters of their own salaries since 1974.

In the last determination (S.R. 1981/218) it was advised that the Commission would make a separate determination on allowances at a later date. This determination, now made as at 1 April 1981, is part of the general review by the Higher Salaries Commission of all the positions within its jurisdiction as at that date.

Explanatory notes to previous Parliamentary determinations have set out at some length the various considerations involved in the determinations, and the last determination (S.R. 1981/218) repeated the principles and criteria which have been set out at length by successive Royal Commissions, and which have been fully accepted by the Higher Salaries Commission. This Commission has applied those principles within the framework of the criteria set out in its Act.

Dealing now with allowances, it should be well known that the work of a Member of Parliament—whether he be an ordinary member, a Parliamentary officer, or a Cabinet Minister, is of an unusual nature. In discharging his Parliamentary and electorate responsibilities, a member is unavoidably involved in considerable travel, meetings and other engagements in a multiplicity of places. It is necessary therefore that the reasonable costs incurred should be met from the public purse.

Arrangements entered into by the individual 92 members differ, particularly in regard to accommodation in Wellington while the House is

EXPLANATORY MEMORANDUM—*continued*

in session. Accordingly, the Commission must seek to strike a balance that, on all the evidence available, can be regarded as reasonable and sufficient to meet the majority of cases. The alternative of a system of cash refunds for expenses actually incurred has been considered and rejected as administratively impracticable, and in the long run much more costly than the provision of specific allowances.

The Act provides for the annual review of allowances, and the last one was as at 1 April 1980. On this occasion the Commission decided to ask the Members' Services Committee of the House to undertake a survey of actual accommodation arrangements, of costs of car running and of other Parliamentary and electorate costs. This information was gathered and given to the Commission in schedule form. A detailed analysis of this was later discussed with representatives of the Members' Services Committee. The determinations of allowances now made have followed the consideration of this information as well as of the increases which have occurred in the relevant items of the Consumers' Price Index up to the effective date of the determination of allowances.

The various types of allowances are as follows:

1. *Members' basic allowance*—This allowance is provided to meet costs of administrative and typing services in the electorate and additional expenses above the normal in respect of clothing, hospitality, donations, and the like. Previously a substantial element was included in this allowance for car running on Parliamentary as distinct from electorate business, but the Commission has now decided to provide for both those aspects of car running in the electorate allowance and to readjust both the basic and the electorate allowances accordingly.

2. *Electorate allowance*—With this determination the electorate allowance now covers transport costs on Parliamentary and electorate business. For the purpose of determining allowances under this heading, the electorates as classified by the Representation Commission have now been placed by the Higher Salaries Commission into three groups—(1) urban, (2) partially urban and partially rural, and (3) rural—after assessing the returns of information from Members referred to above.

3. *Members' day and night allowances*—During attendances at the House, Members are paid day and night allowances as applicable to cover costs of meals, entertainment, and accommodation. Both these allowances have been increased to reflect levels of present day accommodation costs, and having regard to the actual costs incurred by Members as shown in the returns referred to.

4. *Executive Members' expense allowance*—Ministers of the Crown, Parliamentary Under-Secretaries, and the Leader of the Opposition do not receive the members' basic or electorate allowances. Much of their travel is covered by the provision of Ministerial cars. However, they do face considerable expense in respect of hospitality and entertainment, clothing, donations, and secretarial services in their electorates. For other than official guests of Government, all costs of entertainment by the Prime Minister and Ministers are met from this allowance.

EXPLANATORY MEMORANDUM—*continued*

5. *Allowances: Speaker, Chairman of Committees, and Deputy Leader of the Opposition*—The allowances payable to the Speaker, the Chairman of Committees, and the Deputy Leader of the Opposition are tailored to meet their special circumstances. They are shown in detail in the determination itself.

6. *Ministerial travel allowance*—The rate determined for this allowance which is for travel and accommodation out of Wellington takes account of increased hotel tariffs.

7. *Setting-up allowance*—The setting-up allowance is payable to a member when first elected in order to assist in the establishment of an office in the home or elsewhere in the electorate. The allowance was last changed in 1978 and is now fixed at \$350.

Comparisons with previous determination

The rates of allowances determined as at 1 April 1980 are given in the Parliamentary Salaries and Allowances Determination 1980, Amendment No. 2 (S.R. 1980/199).

In regard to basic and electorate allowances, for the sake of clarity in view of the redistribution of items of expenditure as between the two, the following comparative table is given—

COMPARATIVE TABLE OF BASIC AND ELECTORATE ALLOWANCES

Type of Electorate	As at 1 April 1980			As at 1 April 1981		
	Basic	Electorate	Total	Basic	Electorate	Total
Urban ...	\$ 5,819	\$ 630	\$ 6,449	\$ 2,500	\$ 4,500	\$ 7,000
Partially urban, partially rural ...	5,819	1,390	7,209	2,500	6,250	8,750
Rural—Ord. ...	5,819	2,680	8,499	} 2,500	8,250	10,750
Predom. ...	5,819	3,070	8,889			
Maori ...	5,819	3,580	9,399	} 2,500	9,250	11,750
Southern Maori ...	5,819	4,070	9,889			

Issued under the authority of the Regulations Act 1936 and section 16 (2) of the Higher Salaries Commission Act 1977.

Date of notification in *Gazette*: 15 October 1981.