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**THE PARLIAMENTARY SALARIES AND ALLOWANCES
DETERMINATION 1980, AMENDMENT NO. 5**

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).

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DETERMINATION

1. Title—This determination may be cited as the Parliamentary Salaries and Allowances Determination 1980, Amendment No. 5, and shall be read together with and deemed part of the Parliamentary Salaries and Allowances Determination 1980* (hereinafter referred to as the principal determination).

2. Salaries—(1) The principal determination is hereby amended by revoking the First Schedule (as substituted by clause 2 of the Parliamentary Salaries and Allowances Determination 1980, Amendment No. 4), and substituting the First Schedule set out in the Schedule to this determination.

(2) The rates of salary fixed by this determination (which results from the general review made as at 1 April 1981) shall take effect as from the dates set out in the First Schedule to the principal determination (as substituted by subclause (1) of this clause).

(3) The rates of salary which take effect on and after the 10th day of November 1980 now include in every case the 15.7 percent increase that was, by the Parliamentary Salaries and Allowances Determination 1980, Amendment No. 3, applied to such of those rates of salary as did not, immediately before that date, exceed \$30,196 a year.

3. Revocation—The Parliamentary Salaries and Allowances Determination 1980, Amendment No. 4 is hereby consequentially 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: S.R. 1981/134

Cl. 2

SCHEDULE

NEW FIRST SCHEDULE TO PRINCIPAL DETERMINATION

Cl. 2

"FIRST SCHEDULE

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

Office	Yearly Rate of Salary Payable on and after 10 November 1980 \$	Yearly Rate of Salary Payable on and after 11 June 1981* \$
<i>Members of the Executive</i>		
Prime Minister	69,525	73,001
Deputy Prime Minister	54,200	56,910
Each Minister of the Crown holding a portfolio or portfolios (other than the Prime Minister or the Deputy Prime Minister)	48,069	50,472
Each Minister of the Crown without portfolio	38,873	40,817
Each Parliamentary Under-Secretary	37,340	39,207
<i>Officers of the House of Representatives</i>		
Speaker of the House of Representatives	44,620	46,851
Chairman of Committees of the House of Representatives	38,491	40,416
<i>Leader and Deputy Leader of the Official Opposition</i>		
Leader of the Official Opposition	48,069	50,472
Deputy Leader of the Official Opposition	37,340	39,207
<i>Whips</i>		
Chief Government Whip	34,275	35,989
Chief Opposition Whip	34,275	35,989
Junior Government Whip	31,977	33,576
Junior Opposition Whip	31,977	33,576
<i>Members of the House of Representatives</i>		
Each member of the House of Representatives to whom the foregoing provisions of this Schedule do not apply	28,145	29,552

*The effective date of the order made by the Arbitration Court on 21 May 1981 under the Economic Stabilisation (Cost-of-Living Increase) Regulations 1980."

Dated at Wellington this 7th day of August 1981.

R. S. V. SIMPSON, Chairman.

W. L. BIRNIE, Member.

E. A. MISSEN, Member.

EXPLANATORY MEMORANDUM

This determination is part of the general review by the Higher Salaries Commission of all the positions within its jurisdiction, as at 1 April 1981.

The Commission considers that it is desirable, as background, to repeat in substance the Explanatory Memorandum which was published together with its determination of Parliamentary Salaries and Allowances on 31 August 1978 (S.R. 1978/245).

With the passing of the Wage Adjustment Regulations 1974 and subsequently the Higher Salaries Commission Act 1977, responsibility for the determination of Parliamentary salaries and allowances was vested solely in the Higher Salaries Commission. Thus since 1974 Members of Parliament have no longer been the arbiters of their own salaries or allowances.

A basic problem in fixing Parliamentary salaries is that it seems to be commonly held here and elsewhere that Members of Parliament should live under a continuing self-denying ordinance as an example to the country at large. Indeed, Parliamentarians themselves had tended to foster this attitude by declining or delaying increases in salaries and allowances recommended in the past by former Royal Commissions. This has happened in New Zealand, the United Kingdom, and Australia. As a result, Parliamentary salaries had frequently fallen behind the levels which, after detailed investigation, independent authorities have regarded as properly rewarding their duties and responsibilities.

PRINCIPLES AND CRITERIA

The reports of successive Royal Commissions upon Parliamentary salaries and allowances in New Zealand set out at length the principles upon which they based their recommendations. We fully accept the four fundamental propositions established by those Royal Commissions, namely—

- (a) That the occupation of a Member of Parliament should be regarded as virtually full-time and professional in nature;
- (b) That it should be assumed that a Member of Parliament has no other income;
- (c) That it should be accepted that members are married with family commitments;
- (d) That regard should be had to the sacrifices a member and his wife (or husband) have to make in respect of their enjoyment of leisure and family life.

In making its determinations, the Commission has applied those principles within the framework of the criteria given in section 18 (1) (a) of the Higher Salaries Commission Act 1977 which states:

“18. Criteria for Commission—(1) In determining any salaries under section 12 of this Act, the Commission shall have regard in particular to the following criteria:

- “(a) The need to achieve and maintain fair relativity with the private sector in the levels of rates of salaries:”

The other provisions of that section do not apply to Parliamentary salaries.

In looking at the whole field of its jurisdiction, the Commission concluded in 1978 that a conscious effort must be made towards widening

EXPLANATORY MEMORANDUM—*continued*

top-level salary margins in order to reward more appropriately workloads and responsibilities where these are major and heavy. The onerous demands made upon the Prime Minister and members of his Cabinet in terms of sheer volume of work and major decision-making are patently evident and this fact must be appropriately reflected in their salary levels.

As authorised by the Act, written and oral submissions were made to the Commission by the Members' Services Committee of the House—a Committee representing all members of Parliament.

The Commission's basic approach to the general review has been stated in the following terms:

“The Commission's assessment of all the relevant information available to it for this 1981 general review has led it to the conclusion that further general movement in the public sector salaries in its jurisdiction could not be justified. The Commission has applied the balance of the last 15.7% general adjustment as at 10 November 1980 to those to whom it was not then granted, but beyond that, increases have been approved only in specific cases where re-evaluations have justified that course of action.”

In determining Parliamentary salaries, the Commission has followed this approach.

The Members' Services Committee has made submissions on allowances and on Parliamentary superannuation. The Commission has not yet completed its deliberations on these matters, and will make separate determinations at a later date. This present determination does not effect any change in Parliamentary allowances or Parliamentary superannuation.

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*: 11 August 1981.