

**THE PARLIAMENTARY SALARIES AND ALLOWANCES  
DETERMINATION 1985**

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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 and commencement**—(1) This determination may be cited as the Parliamentary Salaries and Allowances Determination 1985.

(2) This determination shall be deemed to have come into force on the 1st day of April 1985.

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

(2) The rates of salary fixed by this determination result from the General Review made as at the 1st day of April 1985.

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

(2) Each allowance provided for in the Second 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.

**4. Revocations**—(1) The Parliamentary Salaries Determination 1985\* is hereby revoked.

(2) The Parliamentary Allowances Determination 1981† is hereby revoked.

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\*S.R. 1985/34  
†S.R. 1981/283

## SCHEDULES

Cl. 2

## FIRST SCHEDULE

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

Office	Yearly Rate of Salary §
<i>Members of the Executive</i>	
Prime Minister .. .. .	117,500
Deputy Prime Minister .. .. .	92,000
Each Minister of the Crown holding a portfolio or portfolios (other than the Prime Minister or the Deputy Prime Minister) .. .. .	82,000
Each Minister of the Crown without portfolio .. .. .	66,500
Each Parliamentary Under-Secretary .. .. .	64,000
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives .. .. .	76,000
Chairman of Committees of the House of Representatives .. .. .	65,500
<i>Leader and Deputy Leader of the Opposition</i>	
Leader of the Opposition .. .. .	82,000
Deputy Leader of the Opposition .. .. .	64,000
<i>Whips</i>	
Chief Government Whip .. .. .	56,500
Chief Opposition Whip .. .. .	56,000
Junior Government Whip .. .. .	53,000
Junior Opposition Whip .. .. .	53,000
<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 .. .. .	45,000

## SECOND SCHEDULE

Cl. 3

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 . . . . .	19,500
Deputy Prime Minister . . . . .	8,500
Each Minister of the Crown holding a portfolio or portfolios (other than the Prime Minister or the Deputy Prime Minister) . . . . .	8,000
Each Minister of the Crown without portfolio . . . . .	6,250
Each Parliamentary Under-Secretary . . . . .	6,250

**2. Additional allowance for Minister of Foreign Affairs**—There shall be paid to the Minister of Foreign Affairs, in addition to that Minister's 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 that Minister's 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 that Minister or that Under-Secretary is travelling within New Zealand on public service.

(2) The allowance payable in accordance with this clause shall be \$110 a day:

Provided that the allowance shall be \$165 for any day on which the person entitled attends by reason of the duties of the person's office an official function to which the person is invited or is required to go primarily because the person holds the office and which the person's spouse necessarily attends and which involves the person and the person's spouse 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 \$4,000 a year; and
- (b) An additional allowance at the rate of \$6,500 a year to provide for expenses incurred in connection with the office of 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

SECOND SCHEDULE—*continued*

- (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 travelling allowance, at the rate prescribed by clause 3 (2) of this Schedule, for every day on which the Speaker is travelling away from Wellington or the Speaker's 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 \$4,000 a year; and
- (b) An additional allowance at the rate of \$3,750 a year to provide for expenses incurred in connection with the office of 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 Opposition—

- (a) An expense allowance at the rate of \$8,000 a year; and
- (b) Where the Leader of the Opposition resides in Wellington, a house allowance at the rate of \$600 a year; and
- (c) Where the Leader of the Opposition 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 the Leader of the Opposition is travelling outside the Leader of the Opposition's electorate but within New Zealand in connection with the Leader of the Opposition's 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 Opposition—

- (a) A basic expense allowance at the rate of \$4,000 a year; and
- (b) An additional allowance at the rate of \$3,125 a year to provide for expenses incurred in connection with the office of Deputy Leader of the 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.

SECOND 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 \$4,000 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 an urban or predominantly urban electorate, \$6,500 a year:
- (b) In the case of a member for a partially urban and partially rural electorate, \$9,500 a year:
- (c) In the case of a member for a rural or predominantly rural electorate, \$13,000 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, \$14,000 a year:
- (b) In the case of the member for any other Maori electorate, \$13,000 a year.
- (3) For the purposes of this clause an electorate is—
  - (a) An urban or predominantly urban electorate; or
  - (b) A partially urban and partially rural electorate; or
  - (c) A rural or predominantly rural electorate,—

if it is classified as such by the Representation Commission established under the Electoral Act 1956 in Schedule G to its report dated the 30th day of March 1983 (Parliamentary Paper H. 1 of 1983).

**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 \$27 for—

- (a) Each day on which the member attends the sittings of the House of Representatives; and
- (b) Each day on which the member attends the sittings of a Select Committee of the House of Representatives of which the member is a member or which the member 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 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

SECOND SCHEDULE—*continued*

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 the Whip 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 Schedule shall be \$40 for each night on which the member requires overnight accommodation away from the member's home outside Wellington—

- (a) By reason of the member proceeding by the ordinary means of transport available to the member for the purpose of attending the sittings of the House of Representatives or of a Select Committee of the House of Representatives, 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 the member 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 the House of Representatives or of a Select Committee of the House of Representatives, 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 the member is entitled to the day allowance for the attendance; or
- (c) In the case of any Whip, by reason of the Whip's 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
- (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

SECOND SCHEDULE—*continued*

(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).

Dated at Wellington this 6th day of September 1985.

R. S. V. SIMPSON, Chairman.

W. L. BIRNIE, Member.

J. T. F. FRANCIS, Member.

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EXPLANATORY MEMORANDUM

This determination is part of the General Review made by the Higher Salaries Commission, as at 1 April 1985, of all the positions within its jurisdiction.

1. *Background*—The Higher Salaries Commission considers that it is again desirable, as background, to repeat the substance of its previous statements in its 1978 and 1981 General Reviews in regard to Parliament.

2. With the establishment of the Higher Salaries Commission in 1974, responsibility for determining Parliamentary salaries, allowances, and superannuation was vested solely in the Commission.

3. Thus, since 1974, Members of Parliament have not fixed their own salaries.

4. There used to be an opinion commonly held in much of the western world that Members of Parliament should live under a continuing self-denying ordinance as an example to the country at large. Indeed, Parliamentarians themselves in New Zealand had in the past tended to foster that attitude by declining or delaying increases in their salaries and allowances recommended by former Royal Commissions. That had also happened in the United Kingdom and Australia and, as a result, Parliamentary salaries often fell behind the levels which, after detailed investigation, independent authorities had regarded as properly rewarding the responsibilities of Members of Parliament.

### 5. 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 her 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.

### 6. Submissions

6.1 Members of Parliament are entitled by the Act, in the same way as any other person, to make submissions to the Commission for the General Review, and the Commission followed previous practice by inviting members to make submissions through the Members' Services Committee, which is a Committee representing all Members of Parliament, irrespective of party.

6.2 The snap Parliamentary election in July 1984 produced a change of Government, and this was no doubt a factor in the submissions from the Members' Services Committee being made to the Commission much later than requested. Nevertheless, the Commission received the submissions and heard the Committee in further oral submissions.

### 7. Salaries

7.1 In previous General Review reports the Commission recorded its view of the need for top-level salary margins to be wide enough to reward appropriately workloads and responsibilities where these are major and heavy. The Commission still regards this as of primary importance.

7.2 By any standard of judgment, this need for adequate margins clearly applies to a Prime Minister and to the members of the Cabinet. The Commission is, of course, not concerned with politics, nor with the public's perception of how well a Government performs its duties. It is concerned with the proper weight of the responsibilities upon the individuals concerned. The sheer volume of work, the major decision-making, and the unremitting demands made of members of a Government by the public in a western society must indeed be



difficult for anyone not closely concerned to appreciate. The Commission remains firmly of the view that the scale and character of these responsibilities must be appropriately reflected in the salary levels.

- 7.3 The Commission has noted that in other Commonwealth countries its opposite-number bodies have at times engaged outside consultants to provide, as a separate and independent input, their appraisal of relative responsibilities and rewards. The Commission last engaged consultants for this purpose in 1974/75 when it commenced its activities, but it did not include Members of Parliament in that engagement. In view of the four years time elapsed since the last General Review, and in view of evident effects of the wage freeze during most of that period, the Commission decided on this occasion to ask consultants to review a small number of positions across several sectors in the Commission's jurisdiction, including eight Members of Parliament. The results of this review have been included by the Commission in its considerations.
- 7.4 Before making its determinations the Commission gave careful consideration to all the factors and the criterion set out in paragraphs 5 to 7, and took into account privileges and benefits available to Members of Parliament. The Commission expects to be informed if these conditions and privileges change significantly.

#### 8. Allowances

- 8.1 The needs of the Parliamentary situation are in general unchanged, and it is appropriate to repeat the substance of the background given in the explanatory memorandum to the last Parliamentary Allowances Determination as at 1 April 1981 (S.R. 1981/283). It should be well known that the work of a Member of Parliament—whether an ordinary member, a Parliamentary officer or a Cabinet Minister—is of an unusual nature. In discharging 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 95 members differ, particularly in regard to accommodation in Wellington while the House is 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.
- 8.2 The Act provides for the annual review of allowances but, since the 1981 review, this was prevented by the wage freeze. As on the previous occasion, the Commission asked the Members' Services Committee 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 that information as well as of price increases.

- 8.3 The only change of significance since 1981 in the facilities made available to members has been the decision to provide, at the cost of the Legislative Vote, part-time administrative and secretarial services in each electorate. These services were previously paid for from a member's electorate allowance, and the change has been taken into account in reassessing the allowances needed.
- 8.4 It should be stressed that in summarizing Parliamentary conditions, salary and allowances should not be added together, because the salary alone is remuneration while the allowances are purely a mechanism for reimbursing expenditure necessarily and unavoidably incurred in the process of the work.
9. The various types of allowances are as follows:
- 9.1 *Members' basic allowance*—This allowance is provided to meet additional expenses above the normal in respect of clothing, hospitality, donations, and the like.
- 9.2 *Electorate allowance*—This allowance 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 or predominantly urban, (2) partially urban and partially rural, and (3) rural or predominantly rural—after assessing the returns of information from members referred to above.
- 9.3 *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.
- 9.4 *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 in some cases secretarial services in their electorates not otherwise covered. For other than official guests of Government, all costs of entertainment by the Prime Minister and Ministers are met from this allowance.
- 9.5 *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.
- 9.6 *Ministerial travel allowance*—The rate determined for this allowance, which is for travel and accommodation out of Wellington, takes account of increased hotel tariffs.

*Comparisons with Previous Determinations*

The rates of allowances determined as at 1 April 1981 are given in the Parliamentary Allowances Determination 1981 (S.R. 1981/283).

In regard to basic and electorate allowances, for the sake of clarity, the following comparative table is given:

**COMPARATIVE TABLE OF BASIC AND ELECTORATE ALLOWANCES**

Type of Electorate	<i>As at 1 April 1981</i>			<i>As at 1 April 1985</i>		
	Basic \$	Electorate \$	Total \$	Basic \$	Electorate \$	Total \$
Urban or predominantly urban	2,500	4,500	7,000	4,000	6,500	10,500
Partially urban and partially rural	2,500	6,250	8,750	4,000	9,500	13,500
Rural or predominantly rural	2,500	8,250	10,750	4,000	13,000	17,000
Maori						
Southern Maori	2,500	9,250	11,750	4,000	14,000	18,000

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*: 9 September 1985.