

**THE PARLIAMENTARY SALARIES AND ALLOWANCES
DETERMINATION 1988**

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 Salaries and Allowances Determination 1988.

(2) This determination shall be deemed to have come into force on the 1st day of April 1988.

2. Expiry—This determination shall expire on the 30th day of June 1989.

3. 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 review of salaries made as at the 1st day of April 1988.

(3) The rates of salary fixed by this determination incorporate the adjustment made by the Parliamentary Salaries Interim Determination 1988 to the salaries payable pursuant to section 16 of the Civil List Act 1979.

4. 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.

5. Revocations—The Parliamentary Salaries and Allowances Determination 1987* and the Parliamentary Salaries Interim Determination 1988† are hereby revoked.

SCHEDULES

Cl. 3

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	147,000
Deputy Prime Minister	115,000
Each member of the Executive Council (other than the Prime Minister or the Deputy Prime Minister) who is a Minister of the Crown holding a portfolio or portfolios	103,000
Each other member of the Executive Council ..	83,000
Each Parliamentary Under-Secretary	80,000
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives	97,000
Chairman of Committees of the House of Representatives	82,000
Deputy Chairman of Committees of the House of Representatives	62,000
<i>Leader and Deputy Leader of the Opposition</i>	
Leader of the Opposition	103,000
Deputy Leader of the Opposition	80,000
<i>Whips</i>	
Senior Government Whip	71,000
Senior Opposition Whip	71,000
Junior Government Whip	67,000
Junior Opposition Whip	67,000
<i>Members of Parliament</i>	
Each member of Parliament to whom the foregoing provisions of this Schedule do not apply ..	57,000

SECOND SCHEDULE

Cl. 4

ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979*Members of the Executive*

1. Expenses allowance—There shall be paid to each member of the Executive Council and to each Parliamentary Under-Secretary an expenses allowance in accordance with the following table:

Office	Yearly Rate of Expenses Allowance \$
Prime Minister	26,000
Deputy Prime Minister	11,500
Each member of the Executive Council (other than the Prime Minister or the Deputy Prime Minister) who is a Minister of the Crown holding a portfolio or portfolios	10,750
Each other member of the Executive Council	8,500
Each Parliamentary Under-Secretary	8,500.

2. Travelling allowance—(1) There shall be paid to each member of the Executive Council and to each Parliamentary Under-Secretary a travelling allowance in respect of each occasion on which the member of the Executive Council or Parliamentary Under-Secretary is, in the course of travelling within New Zealand on public service, absent, for not less than 6 hours, both—

(a) From the Wellington commuting area; and

(b) From the town, city, or other place where the member of the Executive Council or Parliamentary Under-Secretary normally resides when not living in a residence provided at public expense.

(2) Except where subclause (3) or subclause (4) of this clause applies, the travelling allowance payable in respect of each such occasion shall be the sum of \$30.

(3) Where the occasion—

(a) Requires the person entitled to obtain overnight accommodation; but

(b) Is not one to which subclause (4) of this clause applies,

the travelling allowance payable in respect of each such occasion shall be a sum equal to the actual and reasonable costs of the expenses involved but not exceeding the sum of \$150 a day.

(4) Where the occasion—

(a) Requires the person entitled and the spouse of that person to obtain overnight accommodation; and

(b) Involves the attendance of the person entitled and the spouse of that person at an official function, being an official function—

(i) Which the person entitled attends by reason of the duties of his or her office; and

(ii) Which the person entitled is invited to attend or is required to attend primarily because of the office that the person entitled holds; and

(iii) Which the spouse of the person entitled necessarily attends,—

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

the travelling allowance payable in respect of each such occasion shall be a sum equal to the actual and reasonable costs of the expenses incurred but not exceeding the sum of \$220 a day.

(5) For the purposes of this clause, the City of Upper Hutt and the Borough of Kapiti are within the Wellington commuting area.

3. House allowance—There shall be paid to each member of the Executive Council or Parliamentary Under-Secretary who is not provided at the public cost with a residence a house allowance at the rate of \$2,000 a year.

4. House and grounds maintenance allowance—(1) There shall be paid—

(a) To each member of the Executive Council or Parliamentary Under-Secretary who is entitled to a house allowance under clause 3 of this Schedule; and

(b) To each member of the Executive Council or Parliamentary Under-Secretary—

(i) Who represents an electorate outside the Wellington commuting area; and

(ii) Who is provided at the public cost with a residence; but

(iii) Who retains a residence, for personal use or electorate purposes or both, in the electorate that the member of the Executive Council or Parliamentary Under-Secretary represents,—

a house and grounds maintenance allowance at the rate of \$1,500 a year.

(2) In this clause, and in clauses 2 and 3 of this Schedule, “residence” includes any flat or town house, whether or not occupied pursuant to a licence to occupy within the meaning of the Companies Amendment Act 1964.

(3) For the purposes of this clause, the City of Upper Hutt and the Borough of Kapiti are within the Wellington commuting area.

Officers of the House

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

(a) A basic expenses allowance at the rate of \$5,500 a year; and

(b) An additional allowance at the rate of \$8,750 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 11 of this Schedule, but abated by one-third of that rate; and

(d) A day allowance in accordance with clause 12 of this Schedule; and

(e) Except in the case of travel wholly within the Speaker’s electorate, the travelling allowance that would be payable to the Speaker under clause 2 of this Schedule if the Speaker were a member of the Executive Council; and

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

- (f) The house and grounds maintenance allowance (if any) that would be payable to the Speaker under clause 4 of this Schedule if the Speaker were a member of the Executive Council.

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

- (a) A basic expenses allowance at the rate of \$5,500 a year; and
 (b) An additional allowance at the rate of \$5,000 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 11 of this Schedule, but abated by one-third of that rate; and
 (d) A day allowance in accordance with clause 12 of this Schedule.

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

- (a) A basic expenses allowance at the rate of \$5,500 per annum; and
 (b) An additional allowance at the rate of \$600 a year to provide for expenses incurred in connection with the office of Deputy Chairman of Committees of the House of Representatives; and
 (c) An electorate allowance at the appropriate rate specified in clause 11 of this Schedule; and
 (d) A day allowance in accordance with clause 12 of this Schedule.

*Leader and Deputy Leader of the Opposition***8. Leader of the Opposition**—There shall be paid to the Leader of the Opposition—

- (a) A basic expenses allowance at the rate of \$10,750 a year; and
 (b) Where the Leader of the Opposition resides in Wellington,—
 (i) A house allowance at the rate of \$2,000 a year; and
 (ii) A house and grounds maintenance allowance at the rate of \$1,500 a year; and
 (c) Where the Leader of the Opposition does not reside in Wellington,—
 (i) A day allowance in accordance with clause 12 of this Schedule; and
 (ii) A night allowance in accordance with clause 13 or clause 14 of this Schedule; and
 (d) The travelling allowance that would be payable to the Leader of the Opposition under clause 2 of this Schedule if the Leader of the Opposition were a member of the Executive Council.

9. Deputy Leader of the Opposition—There shall be paid to the Deputy Leader of the Opposition—

- (a) A basic expenses allowance at the rate of \$5,500 a year; and
 (b) An additional allowance at the rate of \$4,250 a year to provide for expenses incurred in connection with the office of Deputy Leader of the Opposition; and

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

- (c) An electorate allowance at the appropriate rate specified in clause 11 of this Schedule; and
- (d) A day allowance in accordance with clause 12 of this Schedule; and
- (e) A night allowance in accordance with clause 13 or clause 14 of this Schedule.

Members

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

- (a) A basic expenses allowance at the rate of \$5,500 a year; and
- (b) An electorate allowance at the appropriate rate specified in clause 11 of this Schedule; and
- (c) A day allowance in accordance with clause 12 of this Schedule; and
- (d) A night allowance in accordance with clause 13 or clause 14 of this Schedule.

Particular Allowances

11. Electorate allowances—(1) The electorate allowance payable under clauses 5 (c), 6 (c), 7 (c), 9 (c), and 10 (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 electorate listed in Group A in Schedule G to the report of the Representation Commission, \$7,600 a year:
- (b) In the case of a member for an electorate listed in Group B in Schedule G to the report of the Representation Commission, \$10,900 a year:
- (c) In the case of a member for an electorate listed in Group C in Schedule G to the report of the Representation Commission, \$13,100 a year:
- (d) In the case of a member for an electorate listed in Group D in Schedule G to the report of the Representation Commission, \$16,500 a year.

(2) The electorate allowance payable under clauses 5 (c), 6 (c), 7 (c), 9 (c), and 10 (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, \$18,600 a year:
- (b) In the case of the member for any other Maori electorate, \$17,500 a year.

(3) In this clause, “report of the Representation Commission” means the report of the Representation Commission dated the 8th day of April 1987 (Parliamentary Paper H. 1 of 1987).

12. Day allowance—(1) The rate of the day allowance payable under clauses 5 (d), 6 (d), 7 (d), 8 (c) (i), 9 (d), and 10 (c) of this Schedule shall be \$45 for each day on which—

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

- (a) The member attends a sitting of the House of Representatives; or
- (b) The member attends in New Zealand a meeting 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
- (c) The member attends in New Zealand a properly notified meeting of a party caucus or of a committee of a party caucus; or
- (d) The member attends, in the Wellington commuting area, any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives; or
- (e) The member is in Wellington but is unable to attend a sitting of the House of Representatives or a meeting of a select committee because of sickness or some other reason accepted by the Speaker of the House of Representatives as sufficient; or
- (f) In the case of a Whip, the Whip is in Wellington on Parliamentary business.

(2) For the purposes of this clause, the City of Upper Hutt and the Borough of Kapiti are within the Wellington commuting area.

13. Night allowance—(1) The rate of the night allowance payable under clauses 8 (c) (ii), 9 (e), and 10 (d) of this Schedule shall be \$60 for each night on which the member requires overnight accommodation away from the member's home for the purpose of—

- (a) Attending a sitting of the House of Representatives; or
- (b) Attending in New Zealand a meeting of a select committee of the House 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
- (c) Attending in New Zealand a properly notified meeting of a party caucus or of a committee of a party caucus; or
- (d) Attending, in the Wellington commuting area, any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives; or
- (e) In the case of a Whip, attending in Wellington on Parliamentary business; or
- (f) Proceeding, by the ordinary means of transport available to the member,—
 - (i) To attend any sitting, meeting, function, or conference described in paragraphs (a) to (d) of this clause; or
 - (ii) In the case of a Whip, to attend in Wellington on Parliamentary business.

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

(2) A night allowance shall not be payable under subclause (1) (f) of this clause 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.

(3) For the purposes of this clause, the City of Upper Hutt and the Borough of Kapiti are within the Wellington commuting area.

(4) This clause applies in respect of overnight accommodation required in the period beginning on the 1st day of April 1988 and ending with the close of the 31st day of December 1988.

14. Night allowance—(1) The rate of the night allowance payable under clauses 8 (c) (ii), 9 (e), and 10 (d) of this Schedule shall be such sum, not exceeding \$100, as is required to reimburse the member for the actual and reasonable costs of each night on which the member is required to obtain or retain overnight accommodation away from the member's home for the purpose of—

- (a) Attending a sitting of the House of Representatives; or
- (b) Attending in New Zealand a meeting of a select committee of the House 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
- (c) Attending in New Zealand a properly notified meeting of a party caucus or of a committee of a party caucus; or
- (d) Attending, in the Wellington commuting area, any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives; or
- (e) In the case of a Whip, attending in Wellington on Parliamentary business; or
- (f) Proceeding, by the ordinary means of transport available to the member,—
 - (i) To attend any sitting, meeting, function, or conference described in paragraphs (a) to (d) of this clause; or
 - (ii) In the case of a Whip, to attend in Wellington on Parliamentary business.

(2) Subject to subclause (3) of this clause, the maximum amount that may be paid to any member under this clause by way of reimbursement for overnight accommodation required by that member in the Wellington commuting area,—

- (a) In the period beginning on the 1st day of January 1989 and ending with the close of the 30th day of June 1989, shall not exceed \$5,000; or
- (b) In the period of 12 months beginning on the 1st day of July 1989 or in any period of 12 months beginning on the 1st day of July in any subsequent year, shall not exceed \$10,000.

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

(3) Where a member or the spouse of a member owns, at any time in the relevant period, a residence in the Wellington commuting area, subclause (2) of this clause shall apply in respect of that member—

- (a) As if, for the expression “\$5,000” in subclause (2) (a), there were substituted the expression “\$3,500”; and
- (b) As if, for the expression “\$10,000” in subclause (2) (b), there were substituted the expression “\$7,000”.

(4) In this clause “residence” includes any flat or town house, whether or not occupied pursuant to a licence to occupy within the meaning of the Companies Amendment Act 1964.

(5) For the purposes of this clause, the City of Upper Hutt and the Borough of Kapiti are within the Wellington commuting area.

(6) This clause applies in respect of overnight accommodation required on or after the 1st day of January 1989.

15. 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) The travelling allowance that would be payable to the member of Parliament under clause 2 of this Schedule if that member of Parliament were a member of the Executive Council; 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 (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 applied by the State Services Commission in relation to the use by persons employed in the Office of the State Services Commission of private motorcars on official business).

16. Setting-up allowance for purchase of motor vehicle—(1) A member of Parliament, on first being elected as a member of Parliament, shall be paid a setting-up allowance (to be applied in or towards the purchase by the member of a motor vehicle) if—

- (a) The member is a member of Parliament to whom clause 7 or clause 9 or clause 10 of this Schedule applies; and
- (b) The member, within one month after the date of the return of the writ for the election of the member, notifies the General Manager of the Parliamentary Service in writing, that the member wishes to be paid a setting-up allowance under this clause.

(2) The setting-up allowance payable under this clause, in the case of a member for a General electorate, shall be,—

SECOND SCHEDULE—*continued*ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT
1979—*continued*

- (a) In the case of a member for an electorate listed in Group A in Schedule G to the report of the Representation Commission, \$6,840:
 - (b) In the case of a member for an electorate listed in Group B in Schedule G to the report of the Representation Commission, \$9,810:
 - (c) In the case of a member for an electorate listed in Group C in Schedule G to the report of the Representation Commission, \$11,790:
 - (d) In the case of a member for an electorate listed in Group D in Schedule G to the report of the Representation Commission, \$14,850.
- (3) The setting-up allowance payable under this clause shall be,—
- (a) In the case of the member for the Southern Maori electorate, \$16,740:
 - (b) In the case of the member for any other Maori electorate, \$15,750.

(4) Where a member of Parliament to whom clause 7 or clause 9 or clause 10 of this Schedule applies elects to be paid a setting-up allowance under this clause, the member shall not be entitled to receive or to be paid an electorate allowance under clause 7 (c) or clause 9 (c) or clause 10 (b) of this Schedule in respect of the period of 12 months beginning on the day after polling day for the election at which the member was elected.

(5) In this clause, "report of the Representation Commission" means the report of the Representation Commission dated the 8th day of April 1987 (Parliamentary Paper H. 1 of 1987).

Dated at Wellington this 20th day of December 1988.

J. DUNMORE, Chairman.
J. T. F. FRANCIS, Member.
G. L. JACKSON, Member.

EXPLANATORY MEMORANDUM

This determination forms part of a review by the Higher Salaries Commission as at 1 April 1988 of all the positions within its jurisdiction.

1. Background

The previous full Review was completed in September 1985 with an effective date of 1 April 1985.

A Review in 1986 was affected by the Higher Salaries Commission Amendment Act 1987 which limited salary increases to a maximum of 10 percent.

No further increases to salaries were allowed until this Amendment Act expired on 31 March 1988.

Consequently, between 1 April 1985 and 31 March 1988, a period of 3 years, the total increases to salaries did not exceed 10 percent.

In order to make up for some quite evident loss of relativity between members of Parliament and persons outside the Commission's jurisdiction, an interim salary increase of approximately 9.5 percent was granted from 1 April 1988, while the Commission proceeded with a detailed study to assess what further adjustments might be warranted.

Submissions were invited from the Members Services Committee and others and a number of wide-ranging surveys were carried out by the Commission within the framework of its broader review of all other positions under its jurisdiction.

2. Changes in Circumstances

The Commission has on a number of occasions outlined its criteria and its findings in relation to Parliamentary salaries and allowances, the latest occasion being the 1 April 1985 Review when the Commission's conclusions were published in its Report.

Since that time, a number of changes have occurred, to which the Commission, as required by the legislation under which it operates, has duly paid regard. One of these deserves particular mention, namely, a substantial improvement in the superannuation provisions applicable to members of Parliament, which goes some considerable way towards making up for the insecurity of tenure and the difficulty of a defeated member readjusting in late mid-life to new circumstances.

While making allowance for this, the Commission has taken due note of changes in the prevailing wage index and the cost of living since 1 April 1985, as well as of movements in the private and public sectors at levels of remuneration equivalent to what the Commission judged to be a fair salary for Parliamentarians in April 1985.

The Commission also noted comments that members of Parliament who are not members of the Executive can be regarded as proportionally less adequately remunerated than their fellow members.

3. Allowances

The Commission is conscious that frequent public comments are made about Parliamentary allowances and benefits (or "perks") and has spent considerable time on a detailed examination of the allowances provided in earlier reviews.

The Commission has distinguished between—

(a) Benefits which are available by virtue of the type of employment or the position held; and

(b) Reimbursements of costs incurred in the course of employment.

The Commission's function being to determine the salaries and allowances of Parliamentarians, it has no jurisdiction over category (a)—which may or may not have a monetary value—but with category (b).

The allowances which form part of this determination have been viewed therefore purely as reimbursements of costs incurred by Parliamentarians in providing the services electors expect of them.

This has been the Commission's approach in its examination of these allowances, bearing in mind the criteria of fairness to the taxpayer and fairness to the "employee", which are laid down in the Higher Salaries Commission Act 1977.

Since allowances are reimbursements of costs incurred, due regard has been had to changes in the cost of living that have occurred since 1 April 1985.

Members' Basic Allowance

The basic allowance, set down at £250 in 1944, is a recognised reimbursement practice in the private sector, where it is known generally as an Expenses Allowance, and not unusual in the public sector.

Expenses intended to be covered include, *inter alia*, the entertainment of guests (constituents, visitors, officials, etc.), the cost of maintaining the standard of dress expected of a member in the House and elsewhere, subscriptions and fees, donations (koha), journals and books, costs incurred in meeting constituents at home, minor disbursements, out-of-pocket expenses in Wellington and elsewhere, etc.

Electorate Allowance

This largely covers travel costs within members' electorates on official business, including to the many functions a member is expected to attend, and to places where problems have arisen for which a member's intervention is requested. This highlights car travel costs as a major component of this allowance.

Electorates are classified, at the Commission's request, by the Representation Committee into four categories for General electorates, having regard to the degree to which a particular electorate is onerous in terms of time and distance, group A comprising electorates where travel is the least onerous and Group D, at the other extreme, comprising those electorates where travel is the most onerous. Maori electorates are divided into two categories in accordance with the same criteria.

Members' Day Allowances

This covers the costs of meals, entertainment, and related costs incurred by members on official business.

Members have two main functions: to represent electors in Parliament and to serve electors within the geographical area they represent. Expenses related to the former function are linked essentially to attendance at the House, for Parliamentary sessions, Select Committee hearings, Caucus Committees and other meetings.

In addition, members are often required to entertain visitors from various organisations and their own constituents.

The Day Allowance was last adjusted in December 1986. The increase of 12.5 percent takes into account rises in costs since that date.

Members' Night Allowance

For most members, attendance at the House involves finding overnight accommodation in Wellington for lengthy periods interrupted by recesses when members return to attend to their electorates. In many cases, members endeavour to obtain or share rented accommodation, as hotel and motel costs in the capital city can be prohibitive.

The previous flat sum payable per overnight stay has been found to be unnecessarily rigid. While it is being increased from 1 April 1988 to 31 December 1988 to take into account increases in costs, it will be replaced from 1 January 1989 by a provision for the reimbursement of actual and reasonable costs of up to \$100 per night with a ceiling on the total amount which a member may claim in any one financial year.

To provide added flexibility to the scheme, members who have chosen to purchase a property in Wellington may claim a reimbursement of costs, but with a lower maximum to take into account the equity a member would be building up.

Members' Travelling Allowance

Members are called upon to attend meetings and official functions outside Wellington and outside their own electorates.

Excluding cases where travel is for party political purposes, members will be entitled to claim the reimbursement of actual and reasonable costs incurred up to a fixed maximum from 1 January 1989. For the period 1 April 1988 to 31 December 1988 the flat rate of \$60 per occasion will apply.

Allowance for Executive Members and related office holders

Ministers of the Crown, Parliamentary Under-Secretaries, and the Leader of the Opposition do not receive the basic allowance and the electorate allowance payable to members. They do have access to ministerial cars, but they still have to face considerable expenses by way of hospitality and entertainment, clothing, donations and so on. The Expenses Allowance they have received for a great many years has been adjusted, as on former occasions, to take into account changes in the cost of living since December 1986.

The allowances payable to the Speaker, the Chairman and Deputy Chairman of Committees and the Deputy Leader of the Opposition are tailored to meet their special circumstances and have been adjusted to take into account the rise in costs since December 1986.

An additional allowance payable to a Minister of Foreign Affairs is not included in the present determination.

Ministerial Travelling Allowance

The rates determined for this allowance, which is for travel and accommodation expenses incurred outside Wellington, take into account increased meal and hotel tariffs.

Ministerial House Allowance

For over a hundred years, Ministers of the Crown have been provided with a house in Wellington or, where a Minister is normally resident in Wellington, a modest house allowance.

The Commission has examined the rationale and need for an adequate allowance. It recognises that a Minister would use part of his or her home for official business, although to a lesser extent than when the allowance was first introduced (in 1873 at £150 per annum), and that some compensatory allowance is justified.

The Commission however also recognises that a Minister has a dual function: one is concerned with ministerial duties, the other is to continue to represent an electorate. The heavy demands imposed by this double role leave very little time for the maintenance of a home and grounds which an ordinary income earner would be able to carry out under more normal circumstances. Provision is therefore being made to assist with this problem.

Where a member of the Executive from outside the Wellington area retains a home in his or her electorate, the same grant-in-aid will be available.

It should be noted that the allocation or non-allocation of ministerial residences is not a function of the Higher Salaries Commission.

Definition

In this memorandum, the term "Wellington" denotes the area recognised as the Wellington commuting area up to and including the city of Upper Hutt and the Borough of Kapiti.

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*: 21 December 1988.

