

**THE PARLIAMENTARY SALARIES AND ALLOWANCES
DETERMINATION 1990**

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 1990.

(2) This determination shall be deemed to have come into force on the 1st day of July 1990.

2. Expiry—This determination shall expire on the 30th day of June 1991.

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 July 1990.

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 reimbursing the recipient for expenses arising from that recipient's official and Parliamentary duties.

5. Revocation—The Parliamentary Salaries and Allowances Determination 1989* is 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	162,000
Deputy Prime Minister	127,000
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	113,000
Each other member of the Executive Council	91,500
Each Parliamentary Under-Secretary	88,000
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives	113,000
Chairman of Committees of the House of Representatives	90,500
Deputy Chairman of Committees of the House of Representatives	68,500
<i>Leader and Deputy Leader of the Opposition</i>	
Leader of the Opposition	113,000
Deputy Leader of the Opposition	88,000
<i>Whips</i>	
Senior Government Whip	78,000
Senior Opposition Whip	78,000
Junior Government Whip	73,500
Junior Opposition Whip	73,500
<i>Members of Parliament</i>	
Each member of Parliament to whom the foregoing provisions of this Schedule do not apply	63,500

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	29,500
Deputy Prime Minister	13,000
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	12,000
Each other member of the Executive Council	9,500
Each Parliamentary Under-Secretary	9,500

2. Additional allowance for Minister of External Relations and Trade—There shall be paid to the Minister of External Relations and Trade, in addition to that Minister's expenses allowance under clause 1 of this Schedule, an allowance at the rate of \$6,000 a year to provide for expenses incurred in connection with that Minister's official duties.

3. 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 both—

- (a) From the Wellington commuting area; and
- (b) From the suburb, town, 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 (4) or subclause (5) of this clause applies, the travelling allowance payable in respect of each occasion on which the member of the Executive Council or Parliamentary Under-Secretary is absent from Wellington shall, subject to subclause (3) of this clause, be a sum equal to the actual and reasonable cost of the expenses incurred but not exceeding \$260 per day or part thereof.

(3) The travelling allowance payable under subclause (2) of this clause shall be a minimum of \$40 in respect of each occasion on which the period of absence is at least 6 hours.

(4) Where the occasion involves the attendance of the person entitled and the spouse of that person at an official function, being an official function—

- (a) Which the person entitled attends by reason of the duties of his or her office; and
- (b) Which the person entitled is invited to attend or is required to attend primarily because of the office that the person entitled holds; and
- (c) 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 allowances payable in respect of each such occasion shall, subject to subclause (5) of this clause, be a sum equal to the actual and reasonable costs of the expenses incurred but not exceeding the sum of \$390 per day or part thereof.

(5) The travelling allowance payable under subclause (4) of this clause shall be a minimum of \$50 in respect of each occasion on which the period of absence is at least 6 hours.

(6) In this clause—

“Day” means a period of 24 hours:

“Wellington commuting area” includes The Upper Hutt City and the Paraparaumu Ward of The Kapiti Coast District.

4. 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.

5. 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 4 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 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 3 and 4 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 purpose of this clause, The Upper Hutt City and the Paraparaumu Ward of The Kapiti Coast District are within the Wellington commuting area.

Officers of the House

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

(a) A basic expenses allowance at the rate of \$12,000 a year; and

(b) An additional allowance at the rate of \$8,500 a year to provide for expenses incurred in connection with the office of Speaker; and

(c) A day allowance in accordance with clause 13 of this Schedule; and

(d) Except in the case of travel wholly within the Speaker’s electorate, the travelling allowance that would be payable to the Speaker

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

under clause 3 of this Schedule if the Speaker were a member of the Executive Council; and

- (e) The house and grounds maintenance allowance (if any) that would be payable to the Speaker under clause 5 of this Schedule if the Speaker were a member of the Executive Council.

7. 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 \$9,500 a year; and
 (b) An additional allowance at the rate of \$7,500 a year to provide for expenses incurred in connection with the office of Chairman of Committees of the House of Representatives; and
 (c) A day allowance in accordance with clause 13 of this Schedule; and
 (d) Except in the case of—
 (i) Travel wholly within the electorate of the Chairman of Committees; or
 (ii) Travel wholly within the Wellington commuting area (as defined by clause 14 (3) of this Schedule),—
 a night allowance in accordance with clause 14 of this Schedule.

8. 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 \$6,200 a year; and
 (b) An additional allowance at the rate of \$675 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 12 of this Schedule; and
 (d) A day allowance in accordance with clause 13 of this Schedule; and
 (e) A night allowance in accordance with clause 14 of this Schedule.

Leader and Deputy Leader of the Opposition

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

- (a) A basic expenses allowance at the rate of \$12,000 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 13 of this Schedule; and
 (ii) A night allowance in accordance with clause 14 of this Schedule; and
 (d) The travelling allowance that would be payable to the Leader of the Opposition under clause 3 of this Schedule if the Leader of the Opposition were a member of the Executive Council.

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

10. 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 \$6,200 a year; and
- (b) An additional allowance at the rate of \$4,800 a year to provide for expenses incurred in connection with the office of Deputy Leader of the Opposition; and
- (c) A day allowance in accordance with clause 13 of this Schedule; and
- (d) A night allowance in accordance with clause 14 of this Schedule; and
- (e) In respect of the period beginning on the 1st day of July 1990 and ending with the close of the 30th day of November 1990, an electorate allowance at the appropriate rate specified in clause 12 of this Schedule.

Members

11. 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 \$6,200 a year; and
- (b) An electorate allowance at the appropriate rate specified in clause 12 of this Schedule; and
- (c) A day allowance in accordance with clause 13 of this Schedule; and
- (d) A night allowance in accordance with clause 14 of this Schedule.

Particular Allowances

12. Electorate allowance—(1) The electorate allowance payable under clauses 8 (c), 10 (e), and 11 (b) of this Schedule, in the case of a member for a General electorate, shall be,—

- (a) In the case of a member of 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 8 (c), 10 (e), and 11 (b) of this Schedule shall 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).

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

13. Day allowance—(1) The rate of the day allowance payable under clauses 6 (c), 7 (c), 8 (d), 9 (c) (i), 10 (c), and 11 (c) of this Schedule shall be \$52 for each day on which—

- (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 travels in New Zealand on Parliamentary business (other than Parliamentary business of a kind described in paragraph (a) or paragraph (b) of this subclause); 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) Where a member (in any case to which subclause (1) of this clause does not apply) is present at Parliament Buildings on any day for a period of not less than 4 hours, the rate of the day allowance payable under clauses 6 (c), 7 (c), 8 (d), 9 (c) (i), 10 (c), and 11 (c) of this Schedule shall,—

- (a) Where the period is 6 hours or more, be \$52 for that day; and
- (b) Where the period is less than 6 hours but not less than 4 hours, be \$26 for that day.

(3) For the purposes of this clause, The Upper Hutt City and the Paraparaumu Ward of The Kapiti Coast District are within the Wellington commuting area.

14. Night allowance—(1) The rate of the night allowance payable under clauses 8 (e), 9 (c) (ii), 10 (d), and 11 (d) of this Schedule shall, subject to subclause (4) of this clause, be such sum, not exceeding \$118, as the member certifies is required to reimburse that member for costs reasonably incurred on each night the member is required to obtain 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 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

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

- (c) Travelling in New Zealand on Parliamentary business (other than Parliamentary business of a kind described in paragraph (a) or paragraph (b) of this subclause); 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 paragraph (a) or paragraph (b) or paragraph (d) of this subclause; or
 - (ii) In the case of a Whip, to attend in Wellington on Parliamentary business.

(2) 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 respect of the period of 6 months beginning on the 1st day of July 1990, shall not exceed \$5,500; and
- (b) In respect of any other period of 6 months, being a period beginning on the 1st day of January or the 1st day of July, shall not exceed \$6,200.

(3) For the purposes of this clause, The Upper Hutt City and the Paraparaumu Ward of The Kapiti Coast District are within the Wellington commuting area.

(4) In respect of overnight accommodation required at any time in the period of 6 months beginning on the 1st day of July 1990, subclause (1) of this clause shall have effect as if, for the expression “\$118”, there were substituted the expression “\$110”.

15. Wellington accommodation allowance—(1) A member of Parliament who—

- (a) Is entitled to be paid a night allowance under clause 8 (e) or clause 9 (c) (ii) or clause 10 (d) or clause 11 (d) of this Schedule; and
- (b) Represents an electorate outside the Wellington commuting area; and
- (c) Uses in the Wellington commuting area, when the member is in the Wellington commuting area for the purpose of carrying out that member’s Parliamentary duties,—
 - (i) Accommodation owned by that member; or
 - (ii) Accommodation rented by that member for a term of 6 months or more,—

shall, if that member, by written notice to the General Manager of the Parliamentary Service, so elects, be paid a Wellington accommodation allowance which, subject to subclause (4) of this clause, shall be equal to

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

the costs certified by that member as being incurred to retain or maintain that accommodation.

(2) A member who has elected to be paid a Wellington accommodation allowance shall cease to be entitled to be paid that allowance if that member, by written notice to the General Manager of the Parliamentary Service, revokes the election.

(3) At any time while an election under subclause (1) of this clause is in force, the member by whom that election was made shall not be entitled to be paid a night allowance under clause 8 (e) or clause 9 (c) (ii) or clause 10 (d) or clause 11 (d) of this Schedule in respect of any occasion on which the member obtains overnight accommodation in the Wellington commuting area.

(4) The maximum amount that may be paid to any member under this clause or under clause 14 of this Schedule by way of reimbursement for overnight accommodation required by that member in the Wellington commuting area or under both that clause by way of such reimbursement and this clause,—

- (a) Shall not, in respect of the period of 6 months beginning on the 1st day of July 1990, exceed \$5,500; and
- (b) Shall not, in respect of any other period of 6 months, being a period beginning on the 1st day of January or the 1st day of July, exceed \$6,200.

(5) For the purposes of this clause, The Upper Hutt City and the Paraparaumu Ward of The Kapiti Coast District are within the Wellington commuting area.

16. 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 3 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 State Services Commission of private motorcars on official business).

17. Allowance for purchase of motor vehicle—(1) A member of Parliament, following each election at which the member is elected or re-

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

elected as a member of Parliament, shall be paid an 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 8 or clause 11 of this Schedule applies; and
 - (b) The member, within two months 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 an allowance under this clause.
- (2) The allowance payable under this clause, in the case of a member for a General electorate, shall 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, \$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 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 8 or clause 11 of this Schedule applies elects to be paid an allowance under this clause, the member shall not be entitled to receive or to be paid an electorate allowance under clause 8 (c) or clause 11 (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 11th day of December 1990.

J. DUNMORE, Chairman.

M. A. FITZGERALD, Member.

G. L. JACKSON, Member.

EXPLANATORY MEMORANDUM

This determination results from a review by the Higher Salaries Commission as at 1 July 1990 of Parliamentary salaries and allowances.

1. Background

The previous determination of Parliamentary salaries and allowances was issued with an expiry date of 30 June 1990.

Submissions were invited from the Members Services Committee and others with whom meetings were also held, and a number of wide-ranging surveys were carried out by the Commission within the broader framework of its review of all positions within its jurisdiction.

2. Salaries

The Commission operates within the criteria laid down by the Higher Salaries Commission Act 1977 (as amended).

These include the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere, and the need to be fair both to the persons or group of persons whose remuneration is being determined, and to the taxpayer.

In accordance with these criteria, while the Commission has had regard to changes which have occurred in the salaries of persons at various levels of responsibility between 1 July 1989 and 30 June 1990, it has also taken note of the present economic climate and the restraint which is being called for from all members of the community.

The salaries determined are related to the Commission's evaluation of the positions, but not of course to what members earned before they were elected to Parliament or might individually earn if they were not members.

Finally, the Commission stresses, as it has done in the past, that the salaries it determines are not part of some notional "wage round" starting on 1 July 1990, but, to meet the requirements of the Act, it adjusts salaries in the light of changes which have already occurred elsewhere, taking into account any new factors that may have arisen during the period under review.

The only significant relativity adjustment is that made to the salary of the Speaker who is now placed on the same level as a Minister with portfolio, this reflecting changes that have occurred to the Speaker's position over the last few years. The above average increase in salary which this represents is balanced by a reduction in allowances which leaves the Speaker in the same remuneration situation as the Speaker would have been had these changes not been made.

A re-arrangement of the special allowances provided to the Chairman of Committees has also been made, in order to bring them, proportionally, in line with the allowances provided to the Speaker.

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 distinguishes between—

- (a) Benefits which are available by virtue of the type of employment or the position held;
- (b) Reimbursement 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 are viewed purely as reimbursements of costs incurred by Parliamentarians in providing the services electors expect of them.

Since allowances are reimbursements of costs incurred, due regard has been had to changes in the cost of living that have occurred since 1 July 1989.

Members' Basic Expenses Allowance

The basic expenses allowance is the equivalent of recognised reimbursement practices in the private sector and is not unusual in the public sector. It is a convenient and economical way of providing for a wide range of expenses that are necessarily incurred.

Expenses intended to be covered include, inter alia, entertainment (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 expenses in Wellington and elsewhere.

EXPLANATORY MEMORANDUM—*continued*

The adjustment made in the present determination is based on the rise in the cost of living that occurred in the period 1 July 1989 to 30 June 1990.

Electorate Allowance

This largely covers the cost of travel within members' electorates on official business, including the many functions a member is expected to attend, and travel to places where problems have arisen for which a member's intervention is requested. This highlights car operating costs as the major component of this allowance which is not payable in cases where a car is supplied to a member.

Electorates are classified, at the Commission's request, by the Representation Commission into four categories for General electorates, having regard to the difficulties and cost of providing a service to electors, 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.

As car operating costs have not increased since the rates were last adjusted, the allowance has not been changed.

Members' Day Allowance

This covers the costs of meals, hospitality, and related costs incurred by members on Parliamentary 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 frequently required to host visitors to Parliament from various organisations as well as their own constituents.

The increase from \$48 to \$52 per day takes into account rises in costs since the date of the previous review.

Members' Night Allowance

For most members, attendance at the House involves overnight accommodation in Wellington for lengthy periods interrupted by recesses when members return 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.

In certain cases, members have purchased accommodation in Wellington. Provision is now made for these members and those who rent accommodation on a long-term basis to be reimbursed for such costs as rent, interest on mortgages, rates, insurance, power and similar outgoings, as an alternative to the nightly allowance reimbursement procedure, but within the same annual maximum figure.

The maximum night allowance has been increased from \$110 to \$118 per night, in line with the increase in the cost of living during the period under review.

The Commission has noted that, for some considerable time, the House has been sitting for longer periods and committee work has also increased, necessitating longer stays in Wellington by out-of-town members. Accordingly, the maximum amount that members will be able to claim in respect of the period of six months beginning on 1 January 1991 and in respect of any subsequent six-monthly period, whether for night allowances or in respect of accommodation owned or rented in Wellington, has been increased from \$5,500 to \$6,200.

Allowance for the purchase of a motor vehicle

In 1987 the Commission provided for the capitalisation of the first year's electorate allowance payable to a newly elected member to enable the purchase of a motor vehicle for electorate purposes.

The present determination extends this option to any member in the year following an election. The member taking up this option foregoes the first year's electorate allowance and receives an abated capital sum in lieu of that allowance.

Allowance for Members of the Executive 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 and are provided with a self-drive car in their electorate, 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

EXPLANATORY MEMORANDUM—*continued*

years has been adjusted, as on former occasions, to take into account changes in the cost of living since the previous review.

In the case of the Deputy Leader of the Opposition, who has access to ministerial cars and is now provided with a fully maintained self-drive car in the electorate, the electorate allowance will no longer be payable.

The allowances payable to the Speaker (as amended), the Chairman of Committees (as amended), and the Deputy Chairman of Committees are tailored to meet their special circumstances and have been adjusted to take into account the rise in costs.

The additional allowance traditionally payable to the Minister of External Relations and Trade remains payable as before.

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 many 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.

This allowance, together with a grant towards reimbursing a member of the Executive for expenses incurred in the maintenance of home and grounds in the member's electorate, is provided at the rate previously in force.

It should be noted that the provision of ministerial residences is not a function of the Higher Salaries Commission.

Definition

In this memorandum, the "Wellington commuting area" denotes the area recognised as the Wellington commuting area, i.e., up to and including The Upper Hutt City and the Paraparaumu Ward of The Kapiti Coast District.

Issued under the authority of the Acts and Regulations Publication Act 1989 and section 16 (2) of the Higher Salaries Commission Act 1977.

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