

**PARLIAMENTARY SALARIES AND ALLOWANCES  
DETERMINATION 1997**

---

PURSUANT to section 16 of the Civil List Act 1979 and to the Higher Salaries Commission Act 1977, the Higher Salaries Commission 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 1997.

(2) This determination is deemed to have come into force on 1 July 1997.

**2. Expiry**—This determination expires on 30 June 1998.

**3. Interpretation**—In this determination,—

“Member of the Executive” means a member of the Executive Council or a Parliamentary Under-Secretary;

“Parliamentary business” means the undertaking in New Zealand of any task or function which a member could reasonably be expected to carry out in his or her capacity as a member of Parliament and which complements the business of the House of Representatives; and includes any of the following in New Zealand:

(a) Attending a sitting of the House; or

(b) Attending 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) Undertaking research or administrative functions which relate directly to the business of the House; or

(d) Attending meetings for the purpose of representing electors or explaining the application of policy; or

(e) Attending caucus meetings which are expressly for the purpose of enhancing the Parliamentary process; or

(f) Attending regional or national meetings of his or her party; or

(g) Attending any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House:

“Party” means a Parliamentary political party whose members in the House include at least 1 member elected as a constituency or list candidate for that party:

“Wellington commuting area” comprises the Cities of Wellington, Lower Hutt, Upper Hutt, and Porirua and the Paraparaumu Ward of the Kapiti Coast District.

**4. Salaries**—(1) The salaries payable under section 16 of the Civil List Act 1979 are those set out in Schedule 1.

(2) No member of Parliament may at any 1 time be paid under any of the provisions of Schedule 1 more than 1 salary and, where a member holds 2 or more positions, the salary payable to that member is that payable in respect of the position for which the highest salary is payable.

**5. Allowances**—(1) The allowances payable under section 16 of the Civil List Act 1979 are those set out in Schedule 2.

(2) Each allowance provided for in Schedule 2 is paid to the recipient for the purpose of reimbursing the recipient for expenses arising from that recipient’s official and Parliamentary duties.

**6. Revocation**—The Parliamentary Salaries and Allowances Determination 1996\* is revoked.

\*S.R. 1996/55

---

## SCHEDULES

Cl. 4 (1)

## SCHEDULE 1

## SALARIES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979

Note: No member of Parliament may be paid more than 1 salary under this schedule.

Office	Yearly Rate of Salary \$
<i>Members of the Executive</i>	
Prime Minister	199,000
Deputy Prime Minister	151,000
Each member of the Executive Council who is a Minister of the Crown and who is a member of Cabinet	135,000
Each member of the Executive Council who is a Minister of the Crown but who is not a member of Cabinet	120,000
Each Parliamentary Under-Secretary	97,000
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives	135,000
Deputy Speaker	100,000
Each Assistant Speaker	84,000
<i>Leader of the Opposition</i>	
Leader of the Opposition	135,000
<i>Other Party Leaders and Deputy Leaders</i>	
Each member of Parliament who is the Leader of a party:	
If and so long as that party's members in the House number not less than 25	95,500
If and so long as that party's members in the House number not less than 13 nor more than 24	91,500
If and so long as that party's members in the House number not less than 6 nor more than 12	87,500
If and so long as that party's members in the House number not more than 5	82,000
Each member of Parliament who is the Deputy Leader of a party whose members in the House number not less than 35	91,500
<i>Whips</i>	
In respect of each party whose members in the House number not less than 25,—	
One Senior Whip	92,000
One Junior Whip	86,000

SCHEDULE 1—*continued*SALARIES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*

Office	Yearly Rate of Salary \$
In respect of each party whose members in the House number not less than 13 nor more than 24,— One Whip                   ...     ...     ...     ...     ...	86,000
In respect of each party whose members in the House number not less than 6 nor more than 12,— One Whip                   ...     ...     ...     ...     ...	82,000
In respect of a Whip referred to in 1 of the forgoing provisions who is also the Senior Government Whip                   ...     ...	97,000
<i>Chairpersons of Select Committees</i>	
Each member of Parliament who is—	
(a) The Chairperson of the Regulations Review Committee; or	
(b) The Chairperson of a subject select committee specified in Standing Order 192 of the Standing Orders of the House of Representatives                   ...	
	82,000
<i>Other Members of Parliament</i>	
Each other member of Parliament                   ...     ...     ...	78,000

## SCHEDULE 2

Cl. 5 (1)

## ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979

## PART 1

*Members of the Executive*

**1. Expenses allowance**—Each member of the Executive is to be paid 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 and the Deputy Prime Minister) who is a Minister of the Crown, whether or not a member of Cabinet                   ...	12,000
Each Parliamentary Under-Secretary                   ...     ...     ...	9,500

**2. Additional allowance for Minister of Foreign Affairs and Trade**—The Minister of Foreign Affairs and Trade is to be paid, in addition to that Minister's expenses allowance under clause 1, an allowance at the rate of \$6,000 a year to provide for expenses incurred in connection with that Minister's official duties.

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 1—*continued**Members of the Executive—continued*

**3. Travelling allowance**—(1) Each member of the Executive is to be paid a travelling allowance in respect of each occasion on which the member of the Executive is, in the course of travelling within New Zealand on Parliamentary business, absent both—

- (a) From the Wellington commuting area; and
- (b) From the place where the member of the Executive normally resides when not living in a residence provided at public expense.

(2) The rate of the travelling allowance payable in respect of each such occasion is a sum equal to the actual and reasonable cost of the expenses incurred, with a maximum of \$260 per day or part of a day and a minimum of \$40 in respect of each occasion on which the period of absence is at least 6 hours.

(3) However, subclause (4) applies where the occasion involves the attendance of the person entitled and the partner 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 partner of the person entitled necessarily attends.

(4) The rate of the travelling allowance payable in respect of each occasion referred to in subclause (3) is a sum equal to the actual and reasonable costs of the expenses incurred, with a maximum of \$390 per day or part of a day and a minimum of \$50 in respect of each occasion on which the period of absence is at least 6 hours.

- (5) In this clause, “day” means a period of 24 hours.

**4. House allowance**—A house allowance at the rate of \$2,000 a year is to be paid to each member of the Executive who is not provided at the public cost with a residence.

**5. House and grounds maintenance allowance**—(1) A house and grounds maintenance allowance at the rate of \$1,500 a year is to be paid—

- (a) To each member of the Executive who is entitled to a house allowance under clause 4; and
- (b) To each member of the Executive who, being a constituency member,—
  - (i) Represents an electoral district outside the Wellington commuting area; and
  - (ii) Retains a residence, for personal use or constituency purposes or both, in the electoral district that the member of the Executive represents; and

- (c) To each member of the Executive who, being a list member,—

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 1—*continued**Members of the Executive*—*continued*

(i) Normally resides outside the Wellington commuting area;  
and

(ii) Retains a residence at his or her normal place of residence.

(2) In this clause, and in clauses 3 and 4, “residence” includes any flat or town house, whether or not occupied pursuant to a licence to occupy within the meaning of Part VIIA of the Land Transfer Act 1952.

*Officers of the House of Representatives*

**6. Speaker**—The Speaker of the House of Representatives is to be paid—

- (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 15; and
- (d) The travelling allowance that would be payable to the Speaker under clause 3 if the Speaker were a member of the Executive (except in the case of travel which,—
  - (i) If the Speaker is a constituency member, is wholly within the electoral district that the Speaker represents; or
  - (ii) If the Speaker is a list member, is wholly within the electoral district in which the Speaker has his or her normal place of residence); and
- (e) The house and grounds maintenance allowance (if any) that would be payable to the Speaker under clause 5 if the Speaker were a member of the Executive.

**7. Deputy Speaker**—The Deputy Speaker is to be paid—

- (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 Deputy Speaker; and
- (c) A day allowance in accordance with clause 15; and
- (d) A night allowance in accordance with clause 16 (except in the case of travel which,—
  - (i) If the Deputy Speaker is a constituency member, is wholly within the electoral district that the Deputy Speaker represents or, if the Deputy Speaker is a list member, is wholly within the electoral district in which the Deputy Speaker has his or her normal place of residence; or
  - (ii) Is wholly within the Wellington commuting area).

**8. Assistant Speakers**—Each Assistant Speaker is to be paid—

- (a) A basic expenses allowance at the rate of \$7,000 a year; and

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 1—*continued**Officers of the House of Representatives—continued*

- (b) An additional allowance at the rate of \$1,000 a year to provide for expenses incurred in connection with the office of Assistant Speaker; and
- (c) Where an Assistant Speaker is a constituency member, a constituency allowance at the appropriate rate specified in clause 14; and
- (d) A day allowance in accordance with clause 15; and
- (e) A night allowance in accordance with clause 16.

*Leader of the Opposition and other Party Leaders and Deputy Leaders*

**9. Leader of the Opposition**—The Leader of the Opposition is to be paid—

- (a) A basic expenses allowance at the rate of \$12,000 a year; and
- (b) Where the Leader of the Opposition resides in the Wellington commuting area,—
  - (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 the Wellington commuting area but is in Wellington on Parliamentary business,—
  - (i) A day allowance in accordance with clause 15; and
  - (ii) A night allowance in accordance with clause 16; and
- (d) Where the Leader of the Opposition is, in the course of travelling within New Zealand on Parliamentary business, absent both—
  - (i) From the Wellington commuting area; and
  - (ii) From the place where the Leader of the Opposition normally resides,—
 the travelling allowance that would be payable under clause 3 if the Leader of the Opposition were a member of the Executive.

**10. Other Party Leaders**—(1) Each member of Parliament who is the Leader of a party is to be paid—

- (a) A basic expenses allowance—
  - (i) At the rate of \$10,000 a year if and so long as that party's members in the House number not less than 25; and
  - (ii) At the rate of \$9,500 a year if and so long as that party's members in the House number not less than 13 nor more than 24; and
  - (iii) At the rate of \$9,000 a year if and so long as that party's members in the House number not less than 6 nor more than 12; and
  - (iv) At the rate of \$7,000 a year if and so long as that party's members in the House number less than 6; and
- (b) Where a Leader is a constituency member, a constituency allowance at the appropriate rate specified in clause 14; and

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 1—*continued**Leader of the Opposition and other Party Leaders and Deputy Leaders—  
continued*

- (c) A day allowance in accordance with clause 15; and
- (d) A night allowance in accordance with clause 16.

(2) This clause does not apply to a member to whom an allowance is payable under any of the foregoing provisions of this schedule.

**11. Deputy Leaders**—(1) Each member of Parliament who is the Deputy Leader of a party whose members in the House number not less than 35 is to be paid—

- (a) A basic expenses allowance at the rate of \$7,000 a year; and
- (b) An additional allowance at the rate of \$2,000 a year to provide for expenses incurred in connection with the office of Deputy Leader; and
- (c) Where a Deputy Leader is a constituency member, a constituency allowance at the appropriate rate specified in clause 14; and
- (d) A day allowance in accordance with clause 15; and
- (e) A night allowance in accordance with clause 16.

(2) This clause does not apply to a member to whom an allowance is payable under any of the provisions of this schedule.

*Members*

**12. Constituency members**—(1) Each constituency member of Parliament is to be paid—

- (a) A basic expenses allowance at the rate of \$7,000 a year; and
- (b) A constituency allowance at the appropriate rate specified in clause 14; and
- (c) A day allowance in accordance with clause 15; and
- (d) A night allowance in accordance with clause 16.

(2) This clause does not apply to a member to whom an allowance is payable under any of the foregoing provisions of this schedule.

**13. List members**—(1) Each list member of Parliament is to be paid—

- (a) A basic expenses allowance at the rate of \$4,000 a year; and
- (b) A day allowance in accordance with clause 15; and
- (c) A night allowance in accordance with clause 16.

(2) This clause does not apply to a member to whom an allowance is payable under any of the foregoing provisions of this schedule.

## PART 2

*Particular Allowances Payable under Part 1*

**14. Constituency allowance**—(1) The constituency allowance payable under Part 1 is—

- (a) \$8,000 a year in the case of a member for an electoral district listed in Group A:
- (b) \$11,000 a year in the case of a member for an electoral district listed in Group B:



SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 2—*continued**Particular Allowances Payable under Part 1—continued*

- (c) \$14,000 a year in the case of a member for an electoral district listed in Group C:
  - (d) \$16,000 a year in the case of a member for an electoral district listed in Group D:
  - (e) \$18,000 a year in the case of a member for an electoral district listed in Group E:
  - (f) \$19,000 a year in the case of a member for an electoral district listed in Group F:
  - (g) \$20,000 a year in the case of a member for the electoral district listed in Group G.
- (2) The constituency allowance is payable under clauses 8 (c), 10 (1) (b), 11 (1) (c), and 12 (1) (b).
- (3) In this clause, references to Groups are references to the Groups in Schedule E to the report of the Representation Commission dated 27 April 1995 (Parliamentary Paper H. 1 of 1995).

**15. Day allowance**—(1) The day allowance payable under Part 1 is payable where a member is away from the member's normal place of residence and is—

- (a) Engaged on Parliamentary business; or
  - (b) In Wellington but unable to attend a sitting of the House or a meeting of a select committee because of sickness or some other reason accepted by the Speaker of the House as sufficient.
- (2) However, a day allowance is not payable—
- (a) To a constituency member in respect of periods servicing that member's own electorate; or
  - (b) To a member of the Executive.
- (3) The rate of the day allowance is—
- (a) \$52 for a day on which the period of Parliamentary business is 6 hours or more:
  - (b) \$26 for a day where the period of Parliamentary business is less than 6 hours but not less than 4 hours.
- (4) The day allowance is payable under clauses 6 (c), 7 (c), 8 (d), 9 (c) (i), 10 (1) (c), 11 (1) (d), 12 (1) (c), and 13 (1) (b), and is subject to those clauses.
- (5) In this clause,—
- (a) "Day" means a period of 24 hours:
  - (b) "Period" means the time spent on Parliamentary business, including the travelling time required to undertake that business.

**16. Night allowance**—(1) The night allowance payable under Part 1 is payable where a member incurs actual and reasonable costs on overnight accommodation while the member is engaged on Parliamentary business. This should normally be either—

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 2—*continued**Particular Allowances Payable under Part 1—continued*

- (a) When a member who resides outside of the Wellington commuting area is on Parliamentary business in Wellington and could not reasonably be expected to get home safely; or
- (b) In instances when accommodation is outside of the Wellington commuting area and the member is at least 100 kilometres from that member's normal place of residence and could not reasonably be expected to get home by conventional methods or safely.

(2) The rate of the night allowance is the sum, not exceeding \$135, certified by the member to be the sum required to reimburse the member for actual and reasonable costs already incurred in accordance with subclause (1).

(3) The maximum amount that may be paid to any member under this clause and clause 17 by way of reimbursement for overnight accommodation required by that member in the Wellington commuting area, in any period of 6 months beginning on 1 July or 1 January, is \$8,000 in the case of a Whip and \$6,875 in the case of any other member.

(4) The night allowance is payable under clauses 7 (d), 8 (e), 9 (c) (ii), 10 (1) (d), 11 (1) (e), 12 (1) (d), and 13 (1) (c), and is subject to those clauses.

*Allowances Additional to Those Payable Under Part 1*

**17. Wellington accommodation allowance**—(1) A Wellington accommodation allowance is payable to a member whose normal place of residence is outside the Wellington commuting area where—

- (a) The member is not provided at the public cost with a residence; and
- (b) The member uses in the Wellington commuting area, when the member is in the Wellington commuting area for the purpose of carrying out Parliamentary business, accommodation owned by that member or accommodation rented by that member on a continuous basis for use in lieu of overnight accommodation; and
- (c) The member has elected, by written notice to the General Manager of the Parliamentary Service, to be paid a Wellington accommodation allowance.

(2) The rate of the Wellington accommodation allowance is the sum certified by the member to be the sum required to reimburse the member for the actual and reasonable net costs already incurred by the member in using that accommodation in lieu of overnight accommodation in accordance with subclause (1).

(3) The maximum amount that may be paid to any member under this clause and clause 16 by way of reimbursement for overnight accommodation required by that member in the Wellington commuting area, in any period of 6 months beginning on 1 July or 1 January, is \$8,000 in the case of a Whip and \$6,875 in the case of any other member.

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 2—*continued**Allowances Additional to Those Payable Under Part 1—continued*

(4) At any time while an election under subclause (1) is in force, the member by whom the election was made is not entitled to be paid a night allowance under clause 16 in respect of accommodation in the Wellington commuting area.

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

**18. Allowance payable to member travelling within New Zealand on Parliamentary business at request of Minister**—(1) A member of Parliament who, at the request of a Minister of the Crown, travels within New Zealand on Parliamentary business (except where the travel is undertaken, in the case of a constituency member, wholly within the electoral district that the member represents or, in the case of a list member, wholly within the electoral district in which the member has his or her normal place of residence) is entitled to be paid an allowance for that travel.

(2) The amount payable under this clause is—

- (a) The travelling allowance that would be payable to the member of Parliament under clause 3 if that member of Parliament were a member of the Executive; 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 may not exceed, in respect of the use by the member of a private car, the allowance payable in accordance with clause 20).

**19. Allowance for purchase of motor vehicle**—(1) A constituency member, following each election at which the member is elected or re-elected, is entitled to 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 to whom clause 8 (c) or clause 10 (1) (b) or clause 11 (1) (c) or clause 12 (1) (b) applies; and
  - (b) The member, within 2 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 is—

SCHEDULE 2—*continued*ALLOWANCES PAYABLE UNDER SECTION 16 OF THE CIVIL LIST ACT 1979—  
*continued*PART 2—*continued**Allowances Additional to Those Payable Under Part 1—continued*

- (a) \$7,200 a year in the case of a member for an electoral district listed in Group A:
- (b) \$9,900 a year in the case of a member for an electoral district listed in Group B:
- (c) \$12,600 a year in the case of a member for an electoral district listed in Group C:
- (d) \$14,400 a year in the case of a member for an electoral district listed in Group D:
- (e) \$16,200 a year in the case of a member for an electoral district listed in Group E:
- (f) \$17,100 a year in the case of a member for an electoral district listed in Group F:
- (g) \$18,000 a year in the case of a member for the electoral district listed in Group G.

(3) Where a member of Parliament to whom clause 8 (c) or clause 10 (1) (b) or clause 11 (1) (c) or clause 12 (1) (b) applies elects to be paid an allowance under this clause, the member is not entitled to receive or to be paid a constituency allowance under any of those provisions in respect of the period of 12 months beginning on the day after polling day for the election at which the member was last elected or re-elected.

(4) In this clause, references to Groups are references to the Groups in Schedule E to the report of the Representation Commission dated 27 April 1995 (Parliamentary Paper H. 1 of 1995).

**20. Car reimbursement**—(1) A member of Parliament who, on or after 1 January 1998, uses that member's own car when travelling on Parliamentary business (except where the travel is undertaken by a constituency member in servicing his or her electorate) is entitled to be paid a car reimbursement allowance for that travel.

(2) The rates of reimbursement payable under this clause are in accordance with the standard rates prescribed by the Inland Revenue Department.

(3) Travel within an electorate as part of a journey to or from the House is not treated as servicing an electorate in subclause (1).

Dated at Wellington this 18th day of November 1997.

H. D. PEACOCK, Chairman.

R. J. McARLEY, Member.

B. A. WAKEM, Member.

---

#### EXPLANATORY MEMORANDUM

This determination results from a review by the Higher Salaries Commission as at 1 July 1997 of Parliamentary salaries and allowances.

##### **1. Background**

1.1 The previous determination of Parliamentary salaries and allowances came into force on 1 April 1996 and expired on 30 June 1997. The determination, in reality, comprised 2 determinations. The first covered the period commencing 1 April 1996 and ending with the 1996 polling day and preserved the then existing salaries and allowances which would normally have been the subject of a review as at 30 June 1996. The second covered the period from the day after polling day to 30 June 1997 and sought to reflect the best assessment the Commission could make of the salaries and allowances appropriate to a new and different House of Representatives.

1.2 The Commission had tried to ascertain how the Parliament under an MMP regime might operate. In the circumstances, very little information was forthcoming and, accordingly, the Commission had to make the determination for the period from the polling day to 30 June 1997 in the knowledge that the actual operation of an MMP Parliament could require significant revisions to future determinations.

1.3 The Commission now has much more information about the operation of an MMP Parliament. However, it still feels that it will take a further period of time before a clearer picture emerges of all the roles and functions of the different members and positions inherent in an MMP environment.

##### **2. General**

2.1 The Commission is required by the Higher Salaries Commission Act 1977 to take into account several specific criteria. They include the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere; the need to be fair, on the one hand, to the person whose remuneration it determines and, on the other, to the taxpayer; and the need to recruit and retain competent people. The criteria apply not only to the determination of Parliamentary salaries but to all the Commission's other determinative functions as well.

2.2 It is no part of the Commission's role to pass judgment on the performance of any member of Parliament. The task is to determine a rate for the job, no matter who happens to hold it. Historically, the evaluation of a politician's performance has been a matter for the electors, and that will remain the case in respect of constituency members. The focus will, of course, alter to the extent that the critical vote under the new regime will be the list vote requiring the electors to evaluate the relative merits of the parties. The Commission will be no more empowered to evaluate political parties than to evaluate individual members of Parliament.

2.3 The Commission has no involvement in the provision of administrative and support services to the House and its members by the Parliamentary Service.

2.4 The Commission produced a discussion paper in May 1997 and subsequently received numerous submissions and had meetings with interested parties. It also has the benefit of a number of surveys in the market place which show large rates of increase at the more senior levels.

2.5 The Commission is all too keenly aware that any increase in the salaries of parliamentarians could create a degree of public disapproval. It is possible that the performance of a few is at least partly responsible for a popularly held view that politicians should not get an increase. It could be argued in this instance that a large increase should be provided with the objective of raising the overall calibre of the members of the House. Nonetheless, the Commission is required to consider the appropriate level of salaries for the positions. It does not and cannot evaluate the performance of the incumbents. That is for the electors.

2.6 Over a period of time, the Commission has expressed its concern that salaries for these positions have, in general, remained behind the market even allowing for a discount against that market to reflect the element of public service which is involved. The Commission notes that the trend towards a widening gap between the public and private sector, particularly in salaries for senior positions, is still evident.

2.7 The Commission's view is that after considering all the factors a reasonable increase is required, although clearly it will still be less than what could be justified if direct relativity with the private sector was to be attained.

### **3. Members of the Executive**

3.1 The delineation between the positions has been clarified and the new definitions are now:

- Prime Minister
- Deputy Prime Minister
- Minister inside Cabinet
- Minister outside Cabinet
- Parliamentary Under-Secretary

3.2 The Commission believes these are simpler definitions although it is unsure as to whether the position of Parliamentary Under-Secretary needs to be preserved.

3.3 The Executive received no increase in the 1996 determination, and the rate for these positions has been eroded in comparison with the market. This, combined with other factors considered by the Commission, has led the Commission to conclude that all positions in the Executive should receive an increase except for the position of Parliamentary Under-Secretary.

### **4. Officers of the House of Representatives**

The Commission was of the view that the positions of Speaker and Assistant Speaker warranted an increase but that the relativity of the Deputy Speaker had been too high and, accordingly, has left the salary of this position at the previous level.

### **5. Leader of the Opposition**

The relativity of this position with a Cabinet Minister has been retained.

### **6. Other Party Leaders and Deputy Leaders**

6.1 The previous determination anticipated that the role and responsibilities of a party leader in the House would increase and made provision for salary recognition on a sliding scale related to party numbers in the House. A requirement was imposed that the party be one which achieved representation in the House by virtue of election. This requirement has been retained. "Party" is defined in clause 2 to mean a Parliamentary political party whose members in the House include at least 1 member elected as a constituency or list member for that party. That definition applies across the board in this determination.

6.2 It would appear that the Commission's anticipation has proved to be correct and accordingly the role of party leaders has continued to be recognised and rewarded. As a result of the submissions and discussions, the Commission accepted that a leader of a party with less than 6 members also has additional responsibilities and this determination provides an additional level of salary for such a position.

6.3 The deputy leader of a party with 35 or more members which is not in power is likely to be the deputy leader of the largest party in opposition. This position has additional responsibilities which were not directly recognised in the 1996 determination and accordingly the increase in salary for this position takes these responsibilities into account.

**7. Whips**

7.1 Prior to the introduction of the MMP environment, the Commission was uncertain as to what effect the change from an FPP Parliament would have on the workload of the Whips. Subsequent evidence has shown that the workload has increased under MMP as compared with the workload when there was basically a 2 party FPP Parliament.

7.2 The Commission has also accepted that under MMP the function of the Senior Government Whip has additional responsibilities and workload which justify recognition and this is reflected in the determination.

7.3 The Commission has determined that a number of expenses incurred by parliamentarians should be recompensed on an actual and reasonable basis. The Commission believes that it is appropriate that the approval for such recoveries should be undertaken by the Whips but recognises that this could place an additional workload on them.

7.4 The Commission has therefore given an increase to the Whips as well as recognising a Whip position for a party of 6 to 12.

**8. Other Members of Parliament**

8.1 There has been a considerable amount of discussion on the difference between the roles of a constituency and list member and the responsibilities and workloads of the positions. One conclusion that was unanimously supported was that the same level of salary should apply to both and that at the end of the day they have identical authority in the House.

8.2 The Commission cannot differentiate between the tasks and workloads of different members of Parliament. What it does recognise is that these people are required to govern the country and this puts them in a position of great responsibility with a very large workload.

8.3 The Commission has deliberated long and hard on what the level of salary should be. On the one hand it can be argued that the position requires a much higher level of salary because of its responsibility, workload, and public pressure. On the other hand many people in New Zealand who are struggling to make ends meet would consider that their elected representatives are already well paid. Taking all factors into account, including a recognition that New Zealand's future will to an extent depend upon the calibre of personnel attracted to Parliament, the Commission has decided to increase the salary levels as shown in Schedule 1.

**9. Parliamentary Business**

9.1 There has always been a degree of confusion as to what actually constitutes "Parliamentary business". Previous determinations have used these words as well as "public service" in prescribing when members should be eligible for allowances. In future, the Commission intends to standardise on the expression Parliamentary business and has included an interpretation of our definition of Parliamentary business in this determination.

9.2 The Commission takes the view that Parliamentary business includes any of the following in New Zealand:

- (a) Attending a sitting of the House of Representatives; or
- (b) Attending 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) Undertaking research or administrative functions which relate directly to the business of the House; or
- (d) Attending meetings for the purpose of representing electors or explaining the application of policy; or
- (e) Attending caucus meetings which are expressly for the purpose of enhancing the Parliamentary process; or
- (f) Attending regional or national meetings of his or her party; or
- (g) Attending any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House.

9.3 Attendance at regional or national party meetings will count as Parliamentary business only where the party is one which achieved representation in the House by virtue of election of a member for that party.

**10. Allowances**

10.1 The type of allowances payable to members remain largely unchanged from the previous determination. Some changes in entitlements to allowances have been made. The changes include rewriting the entitlement to day and night allowances, introduction of a car reimbursement allowance, simplification of the reimbursement of expenses incurred, removal of a previous anomaly, and provision for the actual and reasonable travel expenses

of members. The only substantive change in the rate of the allowances is to increase the maximum nightly allowance from \$125 to \$135.

10.2 In instances where actual and reasonable reimbursements are being claimed, the Commission would expect such claims to be approved by the Whips of the House before such claim is payable by Parliamentary Service.

#### **Allowances for Members of the Executive and other Office Holders**

10.3 Ministers of the Crown, Parliamentary Under-Secretaries, the Speaker, the Deputy Speaker, and the Leader of the Opposition do not receive the constituency allowance payable to members. They have access to chauffeur-driven cars and are provided with self-drive cars. The expenses allowance they have received for many years remains unchanged. The additional allowance to the Minister of Foreign Affairs and Trade remains payable as before.

#### **Ministerial Travelling Allowance**

10.4 The rates determined for this allowance, which is for travel and accommodation expenses incurred outside Wellington, remain as before.

#### **Ministerial House Allowance**

10.5 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 at the member's normal place of residence, 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.

#### **Party Leaders and Deputies**

10.6 Where a party leader in opposition is not the Leader of the Opposition, provision is made for a basic expenses allowance in accordance with a sliding scale related to party members in the House. Where a salary becomes payable in respect of a Deputy Leader of a party in opposition, provision is made for an enhanced basic expenses allowance.

#### **Constituency Members**

10.7 The allowances payable to a constituency member have remained at the same level. The determination clarifies the position with respect to the day allowance and the night allowance. The constituency allowance is basically provided to cover the cost of a car and the daily costs whilst servicing the member's electorate. Accordingly a constituency member is not eligible for any separate reimbursement when travelling by car nor can they claim the day allowance in this instance. The Commission, however, recognises that as the electorates are much larger under MMP than they were under FPP, there could be times when a constituency member working in their own electorate could not reasonably and safely be expected to get home. In these instances the constituency member may claim the night allowance.

#### **List Members**

10.8 The previous determination made list members eligible for a basic expenses allowance of \$4,000 per year, a day allowance, and a night allowance when away from home on Parliamentary business. However as the Commission did not know what role or roles the list members would fulfil there was no specific allowance provided to cover travel costs such as the constituency allowance paid to constituency members. What has become very apparent to the Commission is that the roles of list members vary widely - for example, some are effectively acting as constituency members in electorates where their party is not represented whilst others are representing the interests of minority groups in New Zealand. There is no simple basis that could be used to reimburse them for costs incurred other than actual and reasonable.

#### **Constituency Allowance**

10.9 This is essentially to cover the costs incurred by a constituency member in servicing their electorate. The number of separate groups and the rate payable for each has remained the same.

#### **Day Allowance**

10.10 The rate of this allowance has remained at \$52. The allowance is now payable when a member is away from home on Parliamentary business, and the time so spent must be at least 6 hours for the member to qualify for the full amount. The allowance is not payable to a constituency member whilst servicing their electorate.

#### **Night Allowance**

10.11 The maximum rate of this allowance has increased from \$125 to \$135. The allowance is now payable when a member incurs actual and reasonable costs on overnight accommodation while the member is engaged on Parliamentary business. This should normally be either—



- (a) When a member who resides outside of the Wellington commuting area is on Parliamentary business in Wellington and could not reasonably be expected to get home safely; or
- (b) In instances when accommodation is outside of the Wellington commuting area and the member is at least 100 kilometres from that member's normal place of residence and could not reasonably be expected to get home by conventional methods or safely.

**Wellington Accommodation Allowance**

10.12 This has not been changed except that the anomaly has been removed which prevented a member of the Executive, whose normal place of residence is outside the Wellington commuting area and who is not provided with a house at the taxpayers' cost, from receiving the allowance. It also clarifies the situation whereby any income received from the property should be deducted from the member's actual and reasonable costs incurred.

**Car Reimbursement**

10.13 This provides for the reimbursement of members who run their own car whilst on Parliamentary business. It does not apply to travel by a constituency member in servicing his or her own electorate. The rates of reimbursement are in accordance with the standard rates prescribed by the Inland Revenue Department.

The reimbursement is payable in respect of travel on or after 1 January 1998.

---

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

Date of notification in *Gazette*: 20 November 1997.