

**PARLIAMENTARY SALARIES AND ALLOWANCES  
DETERMINATION 1999**

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PURSUANT to section 16 of the Civil List Act 1979 and to the Higher Salaries Commission Act 1977, the Higher Salaries Commission makes the following determination (to which is appended an Explanatory Memorandum).

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ANALYSIS

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DETERMINATION

**1. Title and commencement**—(1) This determination may be cited as the Parliamentary Salaries and Allowances Determination 1999.

(2) This determination is deemed to have come into force on 1 July 1999.

**2. Expiry**—This determination expires on 30 June 2000.

**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 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:

“Primary place of residence” means,—

(a) In relation to a member of Parliament who resides in the Wellington commuting area when not on Parliamentary business, the member’s residence in that area:

(b) In relation to a member of Parliament who resides outside the Wellington commuting area when not on Parliamentary business, the member’s residence outside that area:

“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:

“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) Unless Schedule 1 expressly provides otherwise, 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 1998\* is revoked.

## SCHEDULES

## SCHEDULE 1

Cl. 4 (1)

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

*Note:* Unless this schedule expressly provides otherwise, no member of Parliament may be paid more than 1 salary under this schedule.

| Office                                                                                                                                      | Yearly Rate<br>of Salary<br>\$ |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <i>Members of the Executive</i>                                                                                                             |                                |
| Prime Minister ... ..                                                                                                                       | 216,300                        |
| Deputy Prime Minister ... ..                                                                                                                | 161,000                        |
| Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet ... ..      | 145,400                        |
| Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios, but who is not a member of Cabinet ... .. | 129,250                        |
| Each other member of the Executive Council ... ..                                                                                           | 110,000                        |
| Each Parliamentary Under-Secretary ... ..                                                                                                   | 104,500                        |
| <i>Officers of the House of Representatives</i>                                                                                             |                                |
| Speaker of the House of Representatives ... ..                                                                                              | 145,400                        |
| Deputy Speaker ... ..                                                                                                                       | 106,400                        |
| Each Assistant Speaker ... ..                                                                                                               | 90,000                         |
| <i>Leader of the Opposition</i>                                                                                                             |                                |
| Leader of the Opposition ... ..                                                                                                             | 145,400                        |
| <i>Other Party Leaders and Deputy Leaders</i>                                                                                               |                                |
| Each member of Parliament who is the Leader of a party:                                                                                     |                                |
| Base salary ... ..                                                                                                                          | 90,000                         |
| plus                                                                                                                                        |                                |
| For each additional member of the party up to a maximum of 5 ... ..                                                                         | 1,000                          |
| plus                                                                                                                                        |                                |
| For each additional member of the party in excess of 6 ... ..                                                                               | 600                            |
| Each member of Parliament who is the Deputy Leader of a party whose members in the House number not less than 35 ... ..                     | 99,500                         |
| <i>Whips</i>                                                                                                                                |                                |
| In respect of each party whose members in the House number not less than 6,—                                                                |                                |
| One Whip                                                                                                                                    |                                |
| Base salary ... ..                                                                                                                          | 89,100                         |
| plus                                                                                                                                        |                                |
| For each member of the party in excess of 6 ... ..                                                                                          | 500                            |
| In respect of each party whose members in the House number not less than 25,—                                                               |                                |
| One Junior Whip ... ..                                                                                                                      | 93,500                         |

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

| Office                                                                                                                                       | Yearly Rate<br>of Salary<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Plus, if a Whip referred to in 1 of the foregoing provisions is also the Senior Government Whip ... ..                                       | 2,000                          |
| <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 193 of the Standing Orders of the House of Representatives ... | 89,100                         |
| <i>Other Members of Parliament</i>                                                                                                           |                                |
| Each other member of Parliament ... ..                                                                                                       | 83,000                         |

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## SCHEDULE 2

Cl. 5 (1)

## ALLOWANCES PAYABLE UNDER SECTION 16 OF 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<br>of Expenses<br>Allowance<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 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 holding 1 or more portfolios, whether or not a member of Cabinet | 12,000                                        |
| Each other member of the Executive Council                                                                                                                                                         | 10,500                                        |
| 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.

**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 his or her primary place of residence.

(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 \$300 per day or part of a day.

(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 \$450 per day or part of a day.

- (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 with a residence at the public cost.

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

**5. House and grounds maintenance allowance**—A house and grounds maintenance allowance at the rate of \$1,500 a year is to be paid to each member of the Executive to assist in the maintenance of his or her primary place of residence.

*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; 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.

**8. Assistant Speakers**—Each Assistant Speaker 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 \$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,—

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

- (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 his or her primary place of residence,—
 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
  - (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

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

- (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 foregoing 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 \$7,000 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:
- (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).



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

(3) In this clause, references to Groups are references to the Groups in Schedule E of 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 primary 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—

- (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 primary 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 \$150, 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, in any period of 6 months beginning on 1 July or 1 January, is \$9,500 in the case of a Whip and \$8,500 in the case of any other member.

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

(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 primary place of residence is outside the Wellington commuting area where—

- (a) The member is not provided with a residence at the public cost; 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 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, in any period of 6 months beginning on 1 July or 1 January, is \$8,000 in the case of a Whip and \$7,500 in the case of any other member.

(4) The maximum amount in total that may be paid to any member under this clause and clause 16, in any period of 6 months beginning on 1 July or 1 January, is \$8,750 in the case of a Whip and \$8,000 in the case of any other member.

(5) 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.

(6) 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 primary place of residence) is entitled to be paid an allowance for that travel.

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

- (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 must 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 4 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—
- (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.

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

(4) In this clause, references to Groups are references to the Groups in Schedule E of 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 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).

**21. Security system allowance**—A member who has a security system installed at his or her primary place of residence is entitled to be reimbursed for the actual and reasonable costs up to a maximum of—

|                                              |     |     |     |     |       |
|----------------------------------------------|-----|-----|-----|-----|-------|
| For installing the system                    | ... | ... | ... | ... | \$400 |
| For annual costs of monitoring and call-outs | ... | ... | ... | ... | \$600 |

Dated at Wellington this 18th day of October 1999.

H. D. PEACOCK, Chairman.

B. A. WAKEM, Member.

W. R. MULHOLLAND, Member.

**EXPLANATORY MEMORANDUM**

This determination results from a review by the Higher Salaries Commission as at 1 July 1999 of Parliamentary salaries and allowances.

**1. Background**

1.1 The previous determination of Parliamentary salaries and allowances came into force on 1 July 1998 and expired on 30 June 1999. In arriving at its determination, 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 1 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.

1.2 The Commission has previously noted that it is not part of its 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 and irrespective of their performance in the role.

1.3 The Commission's jurisdiction in respect of politicians' remuneration includes only their salaries together with superannuation for those members who do not belong to the Government Superannuation Fund. Similarly, the Commission has the power to make allowances only in respect of members' personal expenses. Other areas of remuneration and personal expenses, as well as the provision of administrative and support services to the House and its members, are authorised independently of the Higher Salaries Commission.

**2. General**

2.1 In last year's Explanatory Memorandum, the Commission expressed the view that no matter what criteria was used the level of Parliamentary salaries was significantly below comparable levels for positions with the same degree of responsibility, complexity, and workload. The Commission also illustrated how the relativity with similar positions had declined in real terms since the end of the wage freeze.

2.2 The Commission remains steadfast in this view and believes that if anything the position has worsened in respect of the more senior positions in the House. It seems incongruous for some Ministers to be paid significantly less than the departmental heads who report to them.

2.3 One of the factors the Commission is required to take into account in making its remuneration determinations is the conditions of service enjoyed by relevant positions. As mentioned above, members of Parliament receive certain benefits or remuneration independently of the jurisdiction held by the Commission. The Commission has a degree of difficulty in placing a value on the areas of remuneration outside its authority. This difficulty could be compounded if some members received additional benefits that were not available to other members. In this instance, the Commission may have to consider whether or not differing salaries should apply.

The Commission considers that the rationalisation of the remuneration package for members of Parliament in line with normal employment practice is likely to occur only as part of an implementation of a general review of the pay and personal expenses of members of the House.

2.4 Nevertheless, in the current environment the Commission feels that it is very important that it does not further increase the gap between the pay of members and that of other positions of comparable levels of responsibility, complexity, and workload. Accordingly, it has granted an increase to the ordinary members in line with the general movement in remuneration. Slightly larger increases have been given to the more senior positions due to their relativity with similar positions being even further behind than that of the ordinary member. In particular, the Commission felt that positions such as party leaders, whips, and chairs of select committees had not been given sufficient recognition.

2.5 The Commission believes that any reduction in salaries in relative terms could only increase the risk of lowering the standard of governance in New Zealand.

**3. Members of the Executive**

The increase for members of the Executive is of the order of 5% compared to the 3.75% for ordinary members.

**4. Prime Minister, Party Leaders, Whips and Chairs of Select Committees**

The positions have been granted an increase of around 6% on account of the responsibility and workload required.

**5. Allowances**

5.1 In general, the allowances have been maintained at the same levels and on the same basis as last year. The maximum nightly allowance has been increased. The Commission has also attempted to clarify when a Wellington accommodation allowance is available. Provision has also been made for members to claim actual and reasonable costs of installing and maintaining a security system at their primary place of residence.

5.2 A fundamental principle, which affects a member's qualification for the overnight allowance or the Wellington accommodation allowance, is that every member should reside in his or her primary place of residence and the cost of maintaining this residence should not be borne by the taxpayer. However, when a member is required to stay away from his or her primary place of residence on account of Parliamentary business then that member should be able to recover actual and reasonable costs.

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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*: 21 October 1999.