



Parliamentary Salaries and Allowances Determination 2001

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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Determination

- 1 Title**
 This determination is the Parliamentary Salaries and Allowances Determination 2001.
- 2 Commencement**
 This determination is deemed to have come into force on 1 October 2001.
- 3 Expiry**
 This determination expires on 30 June 2002.

4 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 that a member could reasonably be expected to carry out in his or her capacity as a member of Parliament and that 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 that 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 that 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, in relation to a member of Parliament, the place of residence that the Higher Salaries Commission approves from time to time as the member's primary place of residence in New Zealand

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

5 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, if a member holds 2 or more positions, the salary payable to that member is that payable for the position for which the highest salary is payable.

6 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.

7 Revocation

The Parliamentary Salaries and Allowances Determination 2000¹ is revoked.

¹ SR 2000/246

Schedule 1

c1 5(1)

**Salaries payable under section 16 of Civil List
Act 1979**

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

| Office | Yearly rate of salary payable on and after 1 October 2001 |
|--|--|
| | \$ |
| <i>Members of the Executive</i> | |
| Prime Minister | 244,100 |
| Deputy Prime Minister | 180,900 |
| 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 | 162,600 |
| 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 | 143,900 |
| Each other member of the Executive Council | 115,500 |

**Parliamentary Salaries and Allowances
Determination 2001**

Schedule 1

2001/392

| Office | Yearly rate of salary payable on and after 1 October 2001 |
|---|--|
| | \$ |
| Each Parliamentary Under-Secretary | 112,400 |
| <i>Officers of the House of Representatives</i> | |
| Speaker of the House of Representatives | 162,600 |
| Deputy Speaker | 116,600 |
| Each Assistant Speaker | 98,200 |
| <i>Leader of the Opposition</i> | |
| Leader of the Opposition | 162,600 |
| <i>Other Party Leaders and Deputy Leaders</i> | |
| Each member of Parliament who is the Leader of a party: | |
| Base salary | 100,200 |
| plus | |
| For each additional member of the party up to a maximum of 5 | 1,050 |
| plus | |
| For each additional member of the party in excess of 5 | 630 |
| Each member of Parliament who is the Deputy Leader of a party whose members in the House number not less than 35 | 110,300 |
| <i>Whips</i> | |
| In respect of each party whose members in the House number not less than 6,— | |
| One Whip | |
| Base salary | 98,700 |
| plus | |
| For each member of the party in excess of 6 | 525 |
| In respect of each party whose members in the House number not less than 25,— | |
| One Junior Whip | 102,900 |
| Plus, if a Whip referred to in 1 of the provisions under this heading Whips is also the Senior Government Whip | 2,100 |
| <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 190 of the Standing Orders of the House of Representatives | 98,700 |
| <i>Deputy chairpersons of select committees</i> | |
| Each member of Parliament who is— | |
| (a) the deputy chairperson of the Regulations Review Committee; or | |
| (b) the deputy chairperson of a subject select committee specified in Standing Order 190 of the Standing Orders of the House of Representatives | 91,500 |
| <i>Other Members of Parliament</i> | |
| Each other member of Parliament | 90,500 |

cl 6(1)

Schedule 2
Allowances payable under section 16 of Civil List Act 1979

Part 1
Allowances

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 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 \$320 per day or part of a day.

Part 1—*continued*

- (3) However, subclause (4) applies if the occasion involves the attendance of the person entitled and the partner of that person at an official function, being an official function—
- (a) that the person entitled attends by reason of the duties of his or her office; and
 - (b) that the person entitled is invited to attend or is required to attend primarily because of the office that the person entitled holds; and
 - (c) that 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 \$480 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.

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

Part 1—*continued*

- (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) if 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) if 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

Part 1—*continued*

- (c) if 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) if 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) if 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 provisions of clauses 1 to 9.

Part 1—*continued***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 clauses 1 to 10.

*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 provisions of clauses 1 to 11.

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 provisions of clauses 1 to 12.

Part 2
Further provisions relating to allowances

Particular allowances payable under Part 1

14 Constituency allowance

- (1) The constituency allowance payable under Part 1 is—
 - (a) \$8,000 a year for a member for an electoral district listed in Group A:
 - (b) \$11,000 a year for a member for an electoral district listed in Group B:
 - (c) \$14,000 a year for a member for an electoral district listed in Group C:
 - (d) \$16,000 a year for a member for an electoral district listed in Group D:
 - (e) \$18,000 a year for a member for an electoral district listed in Group E:
 - (f) \$19,000 a year for a member for an electoral district listed in Group F:
 - (g) \$20,000 a year for a member for an 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 of the 6 July 1998 Report of the Representation Commission (1996–1999, AJHR, H.1).

15 Day allowance

- (1) The day allowance payable under Part 1 is payable if 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—

Part 2—*continued*

- (a) \$56 for a day on which the period of parliamentary business is 6 hours or more:
 - (b) \$28 for a day on which 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,—
- day** means a period of 24 hours
- 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 if a member incurs actual and reasonable costs on overnight accommodation while the member is engaged on parliamentary business. This is normally 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 by conventional methods or 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 required to reimburse the member for actual and reasonable costs already incurred in accordance with subclause (1), except that the sum must not exceed—
- (a) \$160 if the accommodation is in commercial premises outside Auckland; and
 - (b) \$180 if the accommodation is in commercial premises in Auckland; and
 - (c) \$50 in the case of other premises.

Part 2—*continued*

- (3) The maximum amount that may be paid to any member under this clause by way of reimbursement for overnight accommodation in the Wellington commuting area, in any period of 6 months beginning on 1 July or 1 January, is \$11,000 for a Whip or the Leader of a party and \$10,000 for 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 primary place of residence is outside the Wellington commuting area if—
 - (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 \$8,500 for a Whip or the Leader of a party and \$8,000 for any other member.
- (4) The maximum amount in total that may be paid to any member under this clause and clause 16 by way of reimbursement for overnight accommodation in the Wellington commuting

Part 2—*continued*

area, in any period of 6 months beginning on 1 July or 1 January, is \$9,800 for a Whip or the Leader of a party and \$9,000 for 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 for purpose 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 maximum allowance payable under this clause is—
 - (a) \$7,200 a year for a member for an electoral district listed in Group A:
 - (b) \$9,900 a year for a member for an electoral district listed in Group B:
 - (c) \$12,600 a year for a member for an electoral district listed in Group C:
 - (d) \$14,400 a year for a member for an electoral district listed in Group D:
 - (e) \$16,200 a year for a member for an electoral district listed in Group E:
 - (f) \$17,100 a year for a member for an electoral district listed in Group F:

Part 2—*continued*

- (g) \$18,000 a year for a member for an electoral district listed in Group G.
- (3) Subject to subclause (4), if 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) If the amount of the allowance paid to a member under this clause is less than the amount of the maximum allowance payable to that member under this clause, the constituency allowance payable to that member in respect of the period specified in subclause (3) must be reduced in proportion. For example, if the member is paid 75% of the maximum allowance payable to that member under this clause, the constituency allowance payable to that member in respect of the period specified in subclause (3) is to be 25% of the constituency allowance that would otherwise have been payable to that member in respect of that period.
- (5) In this clause, references to Groups are references to the Groups in Schedule E of the 6 July 1998 Report of the Representation Commission (1996–1999, AJHR, H.1).

19 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 must not, for the purposes of subclause (1), be treated as servicing an electorate.

Part 2—*continued***20 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—

- (a) for installing the system \$400;
- (b) for annual costs of monitoring and call-outs \$600.

Dated at Wellington this 11th day of December 2001.

H. D. Peacock, Chairman.

B. A. Wakem, Member.

W. R. Mulholland, Member.

Explanatory memorandum**1 Salaries**

- 1.1 As in every other year, the Commission has not found it easy to decide what is the appropriate salary level for politicians. No time is the right time to give a pay increase but, if they are not given regularly, the level of pay will fall further behind what could be regarded as comparable levels for positions with the same degree of responsibility, complexity, and workload.
- 1.2 Sound governance makes an immeasurable difference to the prosperity and well-being of a country. The general public demand excellence from their politicians but tend to resent any pay rises they are given. The Commission is very cognisant that, in order to get good governance, Parliament must be able to attract and retain capable personnel.

- 1.3 The Commission is concerned that the gap between the levels of pay for politicians and comparable positions does not widen and, accordingly, has granted rates of increase in line with market movements for those comparable positions.

2 Allowances

The allowances have basically been maintained at the same levels as were set in the previous determination with 2 exceptions, namely—

- the nightly allowance has had its maximum increased from \$160 to \$180 in respect of accommodation in Auckland, due to the increased rates being charged in that city;
- if a member could have stayed in commercial accommodation and claimed the nightly allowance but instead stays privately, a reimbursement of actual costs up to \$50 may be claimed. This is in line with a recent suggestion in the Auditor-General's report (Parliamentary Salaries, Allowances and Other Entitlements, July 2001). It is seen as fair to the member, the host, and to the taxpayer.

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*: 13 December 2001.
