

**THE PARLIAMENTARY SALARIES AND ALLOWANCES  
DETERMINATION (NO. 2) 1992**

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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 hereby makes the following determination (to which is appended an Explanatory Memorandum).

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DETERMINATION

**1. Title and commencement**—(1) This determination may be cited as the Parliamentary Salaries and Allowances Determination (No. 2) 1992.

(2) This determination shall be deemed to have come into force on the 1st day of July 1992.

**2. Expiry**—This determination shall expire on the 30th day of June 1993.

**3. Salaries**—(1) The salaries payable pursuant to section 16 of the Civil List Act 1979 shall be those set out in the First Schedule to this determination.

(2) The rates of salary fixed by this determination result from the review of salaries made as at the 1st day of July 1992.

**4. Allowances**—(1) The allowances payable pursuant to section 16 of the Civil List Act 1979 shall be those set out in the Second Schedule to this determination.

(2) Each allowance provided for in the Second Schedule to this determination shall be paid to the recipient for the purpose of reimbursing the recipient for expenses arising from that recipient's official and Parliamentary duties.

**5. Revocation**—The Parliamentary Salaries and Allowances Determination 1992 \* is hereby revoked.

## SCHEDULES

Cl. 3

## FIRST SCHEDULE

SALARIES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT 1979

Office	Yearly Rate of Salary \$
<i>Members of the Executive</i>	
Prime Minister .. .. .	168,500
Deputy Prime Minister .. .. .	132,000
Each member of the Executive Council (other than the Prime Minister or the Deputy Prime Minister) who is a Minister of the Crown holding a portfolio or portfolios .. .. .	117,500
Each other member of the Executive Council .. .. .	95,000
Each Parliamentary Under-Secretary .. .. .	91,500
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives .. .. .	117,500
Deputy Speaker or Chairman of Committees of the House of Representatives .. .. .	94,000
Deputy Chairman of Committees of the House of Representatives .. .. .	71,000
<i>Leader and Deputy Leader of the Opposition</i>	
Leader of the Opposition .. .. .	117,500
Deputy Leader of the Opposition .. .. .	91,500
<i>Whips</i>	
Senior Government Whip .. .. .	81,000
Senior Opposition Whip .. .. .	81,000
Junior Government Whip .. .. .	76,500
Junior Opposition Whip .. .. .	76,500
<i>Members of Parliament</i>	
Each member of Parliament to whom the foregoing provisions of this Schedule do not apply .. .. .	66,000

SECOND SCHEDULE

Cl. 4

ALLOWANCES PAYABLE PURSUANT TO SECTION 16 OF THE CIVIL LIST ACT  
1979

*Members of the Executive*

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

Office	Yearly Rate of Expenses Allowance \$
Prime Minister . . . . .	29,500
Deputy Prime Minister . . . . .	13,000
Each member of the Executive Council (other than the Prime Minister or the Deputy Prime Minister) who is a Minister of the Crown holding a portfolio or portfolios	12,000
Each other member of the Executive Council	9,500
Each Parliamentary Under-Secretary . . . . .	9,500

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

**3. Travelling allowance**—(1) There shall be paid to each member of the Executive Council and to each Parliamentary Under-Secretary a travelling allowance in respect of each occasion on which the member of the Executive Council or Parliamentary Under-Secretary is, in the course of travelling within New Zealand on public service, absent both—

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

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

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

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

- (a) Which the person entitled attends by reason of the duties of his or her office; and
- (b) Which the person entitled is invited to attend or is required to attend primarily because of the office that the person entitled holds; and
- (c) Which the spouse of the person entitled necessarily attends,—

SECOND SCHEDULE—*continued*

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

the travelling allowances payable in respect of each such occasion shall, subject to subclause (5) of this clause, be a sum equal to the actual and reasonable costs of the expenses incurred but not exceeding the sum of \$390 per day or part thereof.

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

(6) In this clause “day” means a period of 24 hours.

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

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

(a) To each member of the Executive Council or Parliamentary Under-Secretary who is entitled to a house allowance under clause 4 of this Schedule; and

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

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

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

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

(2) In this clause, and in clauses 3 and 4 of this Schedule, “residence” includes any flat or town house, whether or not occupied pursuant to a licence to occupy within the meaning of the Companies Amendment Act 1964.

*Officers of the House*

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

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

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

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

(d) Except in the case of travel wholly within the Speaker’s electorate, the travelling allowance that would be payable to the Speaker under clause 3 of this Schedule if the Speaker were a member of the Executive Council; and

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

SECOND SCHEDULE—*continued*

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

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

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

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

- (a) A basic expenses allowance at the rate of \$6,200 a year; and
- (b) An additional allowance at the rate of \$675 a year to provide for expenses incurred in connection with the office of Deputy Chairman of Committees of the House of Representatives; and
- (c) An electorate allowance at the appropriate rate specified in clause 12 of this Schedule; and
- (d) A day allowance in accordance with clause 13 of this Schedule; and
- (e) A night allowance in accordance with clause 14 of this Schedule.

*Leader and Deputy Leader of the Opposition*

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

- (a) A basic expenses allowance at the rate of \$12,000 a year; and
- (b) Where the Leader of the Opposition resides in Wellington,—
  - (i) A house allowance at the rate of \$2,000 a year; and
  - (ii) A house and grounds maintenance allowance at the rate of \$1,500 a year; and
- (c) Where the Leader of the Opposition does not reside in Wellington,—
  - (i) A day allowance in accordance with clause 13 of this Schedule; and
  - (ii) A night allowance in accordance with clause 14 of this Schedule; and
- (d) The travelling allowance that would be payable to the Leader of the Opposition under clause 3 of this Schedule if the Leader of the Opposition were a member of the Executive Council.

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

- (a) A basic expenses allowance at the rate of \$6,200 a year; and

SECOND SCHEDULE—*continued*

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

- (b) An additional allowance at the rate of \$4,800 a year to provide for expenses incurred in connection with the office of Deputy Leader of the Opposition; and
- (c) A day allowance in accordance with clause 13 of this Schedule; and
- (d) A night allowance in accordance with clause 14 of this Schedule.

*Members*

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

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

*Particular Allowances*

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

- (a) In the case of a member of an electorate listed in Group A in Schedule G to the report of the Representation Commission, \$7,600 a year;
- (b) In the case of a member for an electorate listed in Group B in Schedule G to the report of the Representation Commission, \$10,900 a year;
- (c) In the case of a member for an electorate listed in Group C in Schedule G to the report of the Representation Commission, \$13,100 a year;
- (d) In the case of a member for an electorate listed in Group D in Schedule G to the report of the Representation Commission, \$16,500 a year.

(2) The electorate allowance payable under clauses 8 (c) and 11 (b) of this Schedule shall be,—

- (a) In the case of the member for the Southern Maori electorate, \$18,600 a year;
- (b) In the case of the member for any other Maori electorate, \$17,500 a year.

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

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

- (a) The member attends a sitting of the House of Representatives; or
- (b) The member attends in New Zealand a meeting of a select committee of the House of Representatives of which the member is a member or which the member is required to attend because of

SECOND SCHEDULE—*continued*

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

being in charge of a Bill or other matter under consideration by the committee or for any other valid reason relating only to the business of the committee; or

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

(2) Where a member (in any case to which subclause (1) of this clause does not apply) is present at Parliament Buildings on any day for a period of not less than 4 hours, the rate of day allowance payable under clauses 6 (c), 7 (c), 8 (d), 9 (c) (i), 10 (c), and 11 (c) of this Schedule shall,—

- (a) Where the period is 6 hours or more, be \$52 for that day; and
  - (b) Where the period is less than 6 hours but not less than 4 hours, be \$26 for that day.
- (3) In this clause “day” means a period of 24 hours.

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

- (a) Attending a sitting of the House of Representatives; or
- (b) Attending in New Zealand a meeting of a select committee of the House of Representatives of which the member is a member or which the member is required to attend because of being in charge of a Bill or other matter under consideration by the committee or for any other valid reason relating only to the business of the committee; or
- (c) Travelling in New Zealand on Parliamentary business (other than Parliamentary business of a kind described in paragraph (a) or paragraph (b) of this subclause); or
- (d) Attending, in the Wellington commuting area, any ceremony or official function or national or international conference as a representative of Parliament or with the authority of the House of Representatives; or
- (e) In the case of a Whip, attending in Wellington on Parliamentary business; or

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

(f) Proceeding, by the ordinary means of transport available to the member,—

(i) To attend any sitting, meeting, function, or conference described in paragraph (a) or paragraph (b) or paragraph (d) of this subclause; or

(ii) In the case of a Whip, to attend in Wellington on Parliamentary business.

(2) The member for Kapiti, if resident not less than 40 kilometres by road from Parliament, shall be deemed to require to obtain overnight accommodation away from that member's home—

(a) For one night in each week during which the House sits; and

(b) For every night on which the House sits under urgency.

(3) The maximum amount that may be paid to any member under this clause and clause 15 of this Schedule by way of reimbursement for overnight accommodation required by that member in the Wellington commuting area, in any period of 6 months beginning on the 1st day of July or on the 1st day of January shall not exceed \$6,500.

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

(a) Is entitled to be paid a night allowance under clause 8 (e) or clause 9 (c) (ii) or clause 10 (d) or clause 11 (d) of this Schedule; and

(b) Represents an electorate outside the Wellington commuting area; and

(c) Uses in the Wellington commuting area, when the member is in the Wellington commuting area for the purpose of carrying out that member's Parliamentary duties,—

(i) Accommodation owned by that member; or

(ii) Accommodation rented by that member for a term of 6 months or more,—

shall, if that member, by written notice to the General Manager of the Parliamentary Service, so elects, be paid a Wellington accommodation allowance which, subject to subclause (4) of this clause, shall be equal to the costs certified by that member as being incurred to retain or maintain that accommodation.

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

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

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



SECOND SCHEDULE—*continued*

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

commuting area in any period of 6 months beginning on the 1st day of July or on the 1st day of January shall not exceed \$6,500.

**16. Allowance payable to member travelling within New Zealand on public business**—A member of Parliament who, at the request of a Minister of the Crown, travels within New Zealand on public service shall (except where the travel is undertaken by the member wholly within the member's own electorate) be entitled to be paid—

- (a) The travelling allowance that would be payable to the member of Parliament under clause 3 of this Schedule if that member of Parliament were a member of the Executive Council; and
- (b) Where the member travels by public transport, an allowance equal to the amount of any fares paid by the member; and
- (c) Where the member uses any other mode of transport that is reasonable in the circumstances, an allowance equal to the actual and reasonable cost to the member of using that mode of transport (which allowance shall not exceed in respect of the use by the member of a private motorcar, the allowance payable in accordance with the scale applied by the State Services Commission in relation to the use by persons employed in the State Services Commission of private motorcars on official business).

**17. Allowance for purchase of motor vehicle**—(1) A member of Parliament, following each election at which the member is elected or re-elected as a member of Parliament, shall be paid an allowance (to be applied in or towards the purchase by the member of a motor vehicle) if—

- (a) The member is a member of Parliament to whom clause 8 or clause 11 of this Schedule applies; and
  - (b) The member, within two months after the date of the return of the writ for the election of the member, notifies the General Manager of the Parliamentary Service, in writing, that the member wishes to be paid an allowance under this clause.
- (2) The allowance payable under this clause, in the case of a member for a General electorate, shall be,—
- (a) In the case of a member for an electorate listed in Group A in Schedule G to the report of the Representation Commission, \$6,840;
  - (b) In the case of a member for an electorate listed in Group B in Schedule G to the report of the Representation Commission, \$9,810;
  - (c) In the case of a member for an electorate listed in Group C in Schedule G to the report of the Representation Commission, \$11,790;
  - (d) In the case of a member for an electorate listed in Group D in Schedule G to the report of the Representation Commission, \$14,850.
- (3) The allowance payable under this clause shall be,—

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

(a) In the case of the member for the Southern Maori electorate, \$16,740:

(b) In the case of the member for any other Maori electorate, \$15,750.

(4) Where a member of Parliament to whom clause 8 or clause 11 of this Schedule applies elects to be paid an allowance under this clause, the member shall not be entitled to receive or to be paid an electorate allowance under clause 8 (c) or clause 11 (b) of this Schedule in respect of the period of 12 months beginning on the day after polling day for the election at which the member was elected.

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

**18. Wellington commuting area**—For the purposes of this Schedule the Wellington commuting area comprises the Cities of Wellington, Lower Hutt, Upper Hutt, and Porirua and the Paraparaumu Ward of the Kapiti Coast District.

Dated at Wellington this 15th day of December 1992.

T. W. BLENNERHASSETT, Chairman.

M. A. FITZGERALD, Member.

R. J. McARLEY, Member.

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EXPLANATORY MEMORANDUM

This determination results from a review by the Higher Salaries Commission as at 1 July 1992 of Parliamentary salaries and allowances.

1. *Background*

1.1 The previous determination of Parliamentary salaries and allowances was issued with an expiry date of 30 June 1992.

1.2 Submissions were invited from the Members Services Committee and others with whom meetings were also held. Surveys carried out by the Commission itself and other information available to the Commission were also taken into consideration within the broader framework of its review of all positions under its jurisdiction.

2. *Salaries*

2.1 The Commission operates within the criteria laid down by the Higher Salaries Commission Act 1977.

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

2.3 The present economic climate, while showing signs of improvement, continues to restrain salary and wage increases at all levels. The Members Services Committee did not present a case for increasing Parliamentary salaries and left the matter to the independent judgment of the Commission.

2.4 The Explanatory Memorandum appended to the previous determination indicates how hesitantly the Commission reached the view that salaries, at all levels, should then remain unchanged. There was a good case for increasing them, but a number of circumstances, which remain cogent now, persuaded the Commission that the doubts which it then entertained should be resolved in favour of the taxpayer.

2.5 The Commission has, on this occasion, come to the view that the case for increasing salary levels to some degree should no longer be set aside. In particular, the Commission notes that,—

- (a) Accepted methods of evaluation of the salary of a Member of Parliament demonstrate that it is too low. As the Commission noted as long ago as 1978, there is an expectation that Members should live under a continuing self-denying ordinance as an example to the community at large. The tendency over the years has been to defer to that expectation by allowing Parliamentary salary increases to lag behind movements generally. The gap is not one which the Commission could seek realistically to bridge totally but is now such that the time has come to recognise its existence.
- (b) There is cause for concern about the “recruitment” criterion. There will always be numbers of candidates, and money is not necessarily a primary motivation. It is disturbing, however, to note increasing evidence that talented and suitable people will not desert, or disrupt, their careers to seek election to Parliament at current salary levels.

2.6 In 1988 the Commission reduced salary increases which would otherwise have been made. The Commission noted in an Explanatory Memorandum that allowance had been made for enhanced superannuation entitlements enacted by Parliament in 1987. This year those entitlements have themselves been reduced by Parliament in response to a report by the Commission propounding a substantial (but not total) reversion to the position which obtained prior to the 1987 legislation. Justice requires that the salary adjustment imposed in 1988 be the subject now of a restorative gesture, albeit of a token nature.

2.7 As a separate matter the Commission notes that the superannuation rights and obligations of Members elected on or after 1 July 1992 differ from those of Members elected previously and are the subject of a separate determination effective from that date. The Commission has not differentiated, in salary terms, either group from the other in this determination.

2.8 The Commission’s task is to evaluate the positions. Evaluation of the persons from time to time occupying those positions is the right and duty of the electorate.

2.9 Having anxiously weighed and balanced its statutory criteria, the Commission has determined salaries as detailed in the First Schedule.

3. *Allowances*

3.1 The Commission has again undertaken a detailed examination of the allowances provided in earlier reviews.

EXPLANATORY MEMORANDUM—*continued*

3.2 These allowances are intended as reimbursement of costs incurred by Parliamentarians in providing the services electors expect of them. The Commission's role does not extend to administrative and support services which are provided by the Parliamentary Service.

3.3 The Members Services Committee represented to the Commission that allowances should, in general terms, be adjusted to reflect the movements in the Consumers Price Index (all groups) during the two years prior to 30 June 1992 and increases in overall costs.

3.4 Evidence derived from the public and private sectors indicates that allowances are not being increased.

3.5 The Commission has considered all relevant factors and has concluded that the allowances as last determined should, in the main, be unchanged.

#### 4. *Members' Basic Expenses Allowance*

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

4.2 Expenses intended to be covered include, *inter alia*, entertainment (constituents, visitors, officials, etc.), the cost of maintaining the standard of dress expected of a member in the House and elsewhere, subscriptions and fees, donations (*koha*), journals, and miscellaneous expenses.

#### 5. *Electorate Allowance*

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

5.2 Electorates are classified, at the Commission's request, by the Representation Commission into four categories for General electorates, having regard to the difficulties and cost of providing a service to electors, Group A comprising electorates where travel is least onerous and Group D, at the other extreme, comprising those electorates where travel is most onerous. Maori electorates are divided into two categories in accordance with the same criteria.

#### 6. *Members' Day Allowance*

6.1 This covers the costs of meals, hospitality, and related costs incurred by members on Parliamentary business.

6.2 Members have two main functions: to represent electors in Parliament and to serve electors within the geographical area they represent. Expenses related to the former function are linked essentially to attendance at the House for Parliamentary sessions, Select Committee hearings, Caucus Committees, and other meetings. In addition, members are frequently required to host visitors to Parliament from various organisations as well as their own constituents.

#### 7. *Members' Night Allowance*

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

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

7.3 The night allowance remains unchanged but the overall maximum has been slightly increased to allow for the need to spend more nights in Wellington than formerly.

#### 8. *Allowance for the purchase of a motor vehicle*

8.1 This allowance provides for the capitalisation of the first year's electorate allowance payable to a member in the year following an election to enable the purchase of a motor vehicle for electorate purposes. The member taking up this option foregoes the first year's electorate allowance and receives an abated capital sum in lieu of that allowance.

EXPLANATORY MEMORANDUM—*continued*

9. *Allowances for Members of the Executive and other office holders*

9.1 Ministers of the Crown, Parliamentary Under-Secretaries, the Speaker, the Deputy Speaker or the Chairman of Committees, and the Leader and Deputy Leader of the Opposition do not receive the electorate allowance payable to members. They do have access to chauffeur-driven cars and are provided with self-drive cars. However, they still have to face considerable expenses by way of hospitality and entertainment, clothing, donations, and so on. The Expenses Allowance they have received for a great many years remains, on this occasion, unchanged.

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

10. *Ministerial Travelling Allowance*

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

11. *Ministerial House Allowance*

11.1 For many years, Ministers of the Crown have been provided with a house in Wellington, or, where a Minister is normally resident in Wellington, a modest house allowance. This allowance, together with a grant towards reimbursing a member of the Executive for expenses incurred in the maintenance of home and grounds in the member's electorate, is provided at the rate previously in force.

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

12. *Definition*

12.1 In this memorandum, the term "Wellington commuting area" comprises the Cities of Wellington, Lower Hutt, Upper Hutt and Porirua and the Paraparaumu Ward of the Kapiti Coast District. Special circumstances applicable to the Kapiti electorate have been recognised in the provision of a limited night allowance.