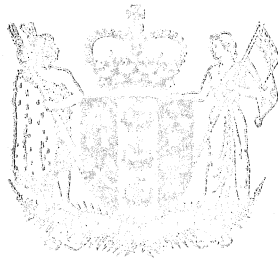


REPORT
OF THE
Royal Commission Upon
Parliamentary Salaries and
Allowances

*Presented to the House of Representatives by
Command of His Excellency*



REPORT

OF THE

Royal Commission on the
Administration of Justice and
Law Reform

Presented to the House of Commons by
Command of His Majesty

BY APPOINTMENT

TO HER MAJESTY'S STATIONERY OFFICE, LONDON, AND HER MAJESTY'S STATIONERY OFFICE, 10, BROADWAY, NEW YORK

Royal Commission to Inquire Into, and Report Upon, Parliamentary Salaries and Allowances

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, New Zealand and Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved the Honourable WILLIAM EDWARD BARNARD, Esquire, Commander of Our Most Excellent Order of the British Empire; JOHN HENRY BOYES, Esquire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; and CARL VICTOR SMITH, Esquire, Commander of Our Most Excellent Order of the British Empire: GREETING:

WHEREAS by section 27 of the Civil List Act 1950, it is provided that the Governor-General, on the recommendation of a Royal Commission appointed in that behalf, may from time to time, by Order in Council, fix the salaries and allowances to be paid to the Prime Minister and other Ministers of the Crown or members of the Executive Council, to Parliamentary Under-Secretaries, and to the Speaker and Chairman of Committees and other members of the House of Representatives:

And whereas by subsection (1A) of the said section 27 it is provided that a Royal Commission shall be appointed for the purposes of that section within three months after the date of every general election of members of Parliament, and a general election was held on the 30th day of November 1957:

Now, know ye that We, reposing trust and confidence in your impartiality, integrity, and ability, do hereby nominate, constitute, and appoint you, the said

The Honourable WILLIAM EDWARD BARNARD,
JOHN HENRY BOYES, and
CARL VICTOR SMITH

to be a Commission to inquire into and report upon the salaries and allowances paid to Our Prime Minister and other Ministers or members of the Executive Council, to Parliamentary Under-Secretaries, to the Speaker and Chairman of Committees, and to the Leader of Our Official Opposition, and to other members of the House of Representatives; and if it be reported that it is necessary or desirable to alter those salaries and allowances, or any of them, then to recommend to His Excellency the Governor-General the nature and extent of the alterations that should be made:

And generally to inquire into and report upon any other matters arising out of or affecting the premises which may come to your notice in the course of your inquiries and which you may consider should be investigated in connection therewith:

And we do hereby appoint you, the said

The Honourable WILLIAM EDWARD BARNARD

to be chairman of the said Commission:

And for the better enabling you to carry these presents into effect you are hereby authorised and empowered to make and conduct any inquiry under these presents at such time and place as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and so that these presents shall continue in force, and the inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

And you are hereby strictly charged and directed that you shall not at any time publish or otherwise disclose save to His Excellency the Governor-General, in pursuance of these presents or by His Excellency's directions, the contents of any report so made or to be made by you or any evidence or information obtained by you in the exercise of the powers hereby conferred upon you except such evidence or information as is received in the course of a sitting open to the public:

And we do further ordain that you have liberty to report your proceedings and findings under this Our Commission from time to time if you shall judge it expedient so to do:

And, using all due diligence, you are required to report to His Excellency the Governor-General in writing under your hands not later than the 31st day of July 1958, your findings and opinions on the matters aforesaid, together with such recommendations as you think fit to make in respect thereof:

And, lastly, it is hereby declared that these presents are issued under the authority of the Letters Patent of His late Majesty King George the Fifth, dated the 11th day of May 1917, pursuant to section 27 of the Civil List Act 1950, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof we have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 26th day of February 1958.

Witness Our Trusty and Well-beloved the Right Honourable Charles John, Viscount Cobham, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, upon whom has been conferred the Territorial Decoration, Governor-General and Commander-in-Chief in and over New Zealand; acting by and with the advice and consent of the Executive Council of New Zealand.

[L.s.]

COBHAM, Governor-General.

By His Excellency's Command—

W. NASH, Prime Minister.

Approved in Council—

T. J. SHERRARD, Clerk of the Executive Council.

Royal Commission to Inquire Into, and Report Upon, Parliamentary Salaries and Allowances

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, New Zealand and Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved ROBERT MCKEEN, Esquire; JOHN HENRY BOYES, Esquire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; and CARL VICTOR SMITH, Esquire, Commander of Our Most Excellent Order of the British Empire:
GREETING:

WHEREAS by section 27 of the Civil List Act 1950 it is provided that the Governor-General, on the recommendation of a Royal Commission appointed in that behalf, may from time to time, by Order in Council, fix the salaries and allowances to be paid to the Prime Minister and other Ministers of the Crown or members of the Executive Council, to Parliamentary Under-Secretaries, and to the Speaker and Chairman of Committees and other members of the House of Representatives:

And whereas by subsection (1A) of the said section 27 it is provided that a Royal Commission shall be appointed for the purposes of that section within three months after the date of every general election of Members of Parliament, and a general election was held on the 30th day of November 1957:

And whereas on the 26th day of February 1958 a Royal Commission* was issued appointing the Honourable WILLIAM EDWARD BARNARD, Esquire, and you the said JOHN HENRY BOYES, and CARL VICTOR SMITH to be a Commission for the purposes of the said section 27, but the said WILLIAM EDWARD BARNARD died on the 12th day of March 1958 and it is desirable to revoke that Commission and to issue a new Commission in its place:

Now, know ye, that We, reposing trust and confidence in your impartiality, integrity, and ability, do hereby nominate, constitute, and appoint you, the said

ROBERT MCKEEN,
JOHN HENRY BOYES, and
CARL VICTOR SMITH

to be a Commission to inquire into and report upon the salaries and allowances paid to Our Prime Minister and other Ministers or members of the Executive Council, to Parliamentary Under-Secretaries, to the Speaker and Chairman of Committees, and to the Leader of Our Official Opposition, and to other members of the House of Representatives; and if it be reported that it is necessary or desirable to alter those salaries and allowances or any of them, then to recommend to His Excellency the Governor-General the nature and extent of the alterations that should be made:

And generally to inquire into and report upon any other matters arising out of or affecting the premises which may come to your notice in the course of your inquiries and which you may consider should be investigated in connection therewith.

And we do hereby appoint you, the said

ROBERT MCKEEN

to be chairman of the said Commission:

And for the better enabling you to carry these presents into effect you are hereby authorised and empowered to make and conduct any inquiry under these presents at such time and place as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and so that these presents shall continue in force, and the inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

And you are hereby strictly charged and directed that you shall not at any time publish or otherwise disclose save to His Excellency the Governor-General in pursuance of these presents or by His Excellency's directions, the contents of any report so made or to be made by you or any evidence or information obtained by you in the exercise of the powers hereby conferred upon you except such evidence or information as is received in the course of a sitting open to the public:

And we do further ordain that you have liberty to report your proceedings and findings under this Our Commission from time to time if you shall judge it expedient so to do:

And using all due diligence, you are required to report to His Excellency the Governor-General in writing under your hands not later than the 31st day of July 1958, your findings and opinions on the matters aforesaid, together with such recommendations as you think fit to make in respect thereof:

And we hereby revoke the said Royal Commission issued on the 26th day of February 1958:

And, lastly, it is hereby declared that these presents are issued under the authority of the Letters Patent of His late Majesty King George the Fifth, dated the 11th day of May 1917, pursuant to section 27 of the Civil List Act 1950, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof we have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 31st day of March 1958.

Witness Our Right Trusty and Well-beloved Cousin Charles John, Viscount Cobham, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, upon whom has been conferred the Territorial Decoration, Governor-General and Commander-in-Chief in and over New Zealand; acting by and with the advice and consent of the Executive Council of New Zealand.

[L.S.]

COBHAM, Governor-General.

By His Excellency's Command—

C. F. SKINNER, for the Prime Minister.

Approved in Council—

T. J. SHERRARD, Clerk of the Executive Council.

Report of the Royal Commission Upon Parliamentary Salaries and Allowances

To His Excellency Charles John, Viscount Cobham, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, upon Whom has been conferred the Territorial Decoration, Governor-General and Commander-in-Chief in and over New Zealand.
MAY IT PLEASE YOUR EXCELLENCY:

We, the Undersigned members of the Royal Commission constituted by virtue of section 27 of the Civil List Act 1950 to Inquire Into and Report Upon Parliamentary Salaries and Allowances, respectfully submit our report as follows:

1. We have obtained and attach to this report the following:
 - (a) Statistical information from the Government Statistician.
 - (b) Statement as to wage increases from the Department of Labour.
 - (c) List of large taxpayers.
2. Evidence was submitted by:
 - (a) The Prime Minister.
 - (b) The Minister of Finance.
 - (c) The Leader of the Opposition.
 - (d) The Chairman of the Public Service Commission.
 - (e) The Secretary to the Treasury.
 - (f) The Government Statistician.

Also we obtained other useful data of various kinds, some of which is at present of a confidential nature.

3. The principles underlying the need for members of Parliament to be fairly rewarded for their services were outlined in detail by the 1951 Commission and repeated more briefly by the 1955 Commission. These principles remain unchanged, and as they have been accepted by the public generally we feel it is unnecessary to cover the same ground in this report.

4. As we see it, our task, having regard to changes in the economy of the country since 1955, is to review salaries and allowances and make any adjustments that may be warranted; also to correct any anomalies that may have made themselves apparent since the position was reviewed by the last Commission.

5. *Salaries and Allowances*—Since the 1955 review a general wage increase has been granted by the Court of Arbitration. There has also been the usual five-yearly regrading of the Public Service with effect from 1 April 1956.

The statistical information supplied shows that there have been increases in the three-yearly period in both the Retail Price Index and the Consumers' (Retail) Price Index.

On the other hand, the Commission had placed before it full details of the present serious financial difficulties facing New Zealand which have arisen from the fall in prices of our primary exports with resulting deterioration of our sterling reserves.

In the light of this evidence the Commission feels that the time is not opportune for recommending any increase in salaries or allowances.

At the same time the Commission feels that, as under the terms of subsection (1A) of section 27 of the Civil List Amendment Act 1955, another Commission will not be set up until after the next general election, hardship may be done to members in the intervening period.

It therefore recommends that the sittings of the Commission be adjourned for twelve months.

6. *Anomaly Regarding Allowances*—Although the Commission does not recommend any general increase in allowances there is one anomaly which requires correction.

The various electorates are classified by the Representation Commission in order that the allowances payable to the respective members may be determined. The Representation Commission has drawn attention to the fact that the Parliamentary Salaries and Allowances Order 1955 did not empower it to give special consideration to the electorates of Heretaunga, Petone, Onslow, and Karori for which special travelling allowances are warranted. An allowance for electorates of this type was recommended by the 1955 Royal Commission on Salaries and Allowances.

The Representation Commission suggests that the member for Onslow receive a special allowance of £50, and that the members for Heretaunga, Petone, and Karori receive a special allowance of £25 each to recompense them for the extra travelling in their districts. (NOTE—Under section 22 (4) of the Civil List Act 1950 these allowances are not payable if the member concerned is a Minister of the Crown.)

We feel that this is a reasonable suggestion and recommend that it be given effect to from the beginning of the year commencing on 1 April 1958.

We have the honour to be Your Excellency's obedient servants,

Robert McKEEN, Chairman.
J. H. BOYES, Member.
C. V. SMITH, Member.

Wellington, N.Z., 9 May 1958.

SCHEDULE A

Statistical Information Illustrating the Growth of the National Economy

1. Population (Including Maoris)

1874 (census)	..	..	..	344,984
1890 (December)	..	..	..	662,749
1950 (mean)	..	..	..	1,909,092
1954 (mean)	..	..	..	2,094,910
1955 (mean)	..	..	..	2,138,946
1956 (mean)	..	..	..	2,182,833
1957 (mean)	..	..	..	2,232,619

2. National Income

				£(millions)
1893	..	..	..	27-28
1939-40	..	..	..	210.2
1949-50	..	..	..	481.7
1952-53	..	..	..	656.1
1953-54	..	..	..	734.1
1954-55	..	..	..	798.9
1955-56	..	..	..	841.0
1956-57	..	..	..	883.5*

*Provisional.

3. Number of Civil Servants

1871	..	..	..	1,416
1907	..	..	..	28,177
1912	..	..	..	35,797
1949	..	..	..	96,125
1950	..	..	..	95,621
1951	..	..	..	93,039
1952	..	..	..	94,817
1953	..	..	..	*96,801
1954	..	..	..	96,040
1955	..	..	..	94,697
1956	..	..	..	97,700
1957	..	..	..	102,252

4. Value of Production of Physical Goods (Exclusive of Services, etc.)

				£(millions)
1900-01	..	..	..	33.9
1910-11	..	..	..	53.4
1919-20	..	..	..	92.4
1929-30	..	..	..	120.5
1939-40	..	..	..	143.5
1949-50	..	..	..	343.8
1952-53	..	..	..	482.1
1953-54	..	..	..	520.9
1954-55	..	..	..	568.5
1955-56	..	..	..	589.7

SCHEDULE B
Price and Wage Rates Indices

Retail Price Index

	On Base:		On Base:
	March 1949 (= 1000)	Quarter of	1955 (=1000)
1910	308
1920	538
1930	518
1940	547
1950	745
1951	828
1952	892
1953	933
1954	976
1955 (March quarter)	992
1955	1000
1956	1035
1957	1057
1958 (March quarter)	1069

Consumers' (Retail) Price Index

	Base: March Quarter of 1949 (= 1000)			
	March Quarter, 1955		Calendar Year, 1955	
Food—				
Meat and fish	1979	1995
Fruit, vegetables, and eggs	1358	1430
Other foods	1533	1540
All foods	1601
..	1624
Housing—				
Rent	1297	1315
Other housing	1416	1416
All housing	1369
..	1484
..	1506
Fuel and lighting	1484
Clothing and footwear—				
Clothing	1384	1390
Footwear	1504	1526
Clothing and footwear	1402
..	1411
Miscellaneous—				
Household durable goods	1138	1136
Other commodities	1139	1142
Services	1322	1322
All miscellaneous	1202
..	1202
All groups	1418
..	1430

Consumers' (Retail) Price Index—continued

	Base: 1955 (= 1000)	
	Calendar Year, 1955	March Quarter, 1958
Food—		
Meat and fish	1000	1101
Fruits, vegetables, and eggs	1000	1066
Other foods	1000	1029
All food .. .. .	.. 1000	.. 1057
Housing—		
Rent	1000	1116
Home ownership	1000	1172
All housing .. .. .	.. 1000	.. 1155
Household operation—		
Fuel and light	1000	1044
Home furnishing	1000	1042
Domestic supplies and services	1000	1067
All household operation .. .. .	.. 1000	.. 1049
Apparel—		
Clothing	1000	996
Footwear	1000	1099
All apparel .. .. .	.. 1000	.. 1012
Transportation—		
Public transport	1000	1140
Private transport	1000	1077
All transportation .. .. .	.. 1000	.. 1095
Miscellaneous—		
Tobacco and alcohol	1000	1014
Other supplies	1000	1077
Other services	1000	1147
All miscellaneous .. .. .	.. 1000	.. 1063
All groups .. .. .	.. 1000	.. 1069

Nominal Weekly Wage Rates Index Numbers

As at—	Adult Males (On Base: 1954 = 1000)
30 June 1951	827
30 June 1952	860
30 June 1953	897
30 June 1954	989
30 June 1955	1033
30 June 1956	1050
30 June 1957	1102
31 December 1957	1112

SCHEDULE C

Labour Department's Statistics of Average Weekly Wages
(based on their Half-Yearly Survey of Employment)

Year	Average Weekly Wage Payout per Worker					
	£	s.	d.	£	s.	d.
October 1950	8	15	9			
April 1951				9	15	2
October 1951	10	3	1			
April 1952				10	7	10
October 1952	10	13	0			
April 1953				11	1	5
October 1953	11	2	1*			
April 1954				12	2	5
October 1954	12	7	0			
April 1955				12	15	2
October 1955	13	4	0			
April 1956				13	6	8
October 1956	13	10	4			
April 1957				14	3	0

*Does not include retrospective payments resulting from general order of Court of Arbitration of 19 November 1953.

After April 1957 this series was discontinued; but the movement between April 1957 and October 1957 may be traced by the corresponding hourly rates which were: April 1957, 6s. 10·8d.; October 1957, 6s. 11·3d.

NOTE—The averages shown cover both males and females, including juveniles and salaried executives. Overtime and bonus earnings, etc., are also included.

SCHEDULE D

Details of Individual Taxpayer Groups

Amount of Assessable Income

Income Year	£1,000– £1,999	£2,000– £2,999	£3,000– £3,999	£4,000– £4,999	£5,000– £5,999
1950–51	47,550	10,890	4,880	2,310	1,444
1951–52	66,010	11,850	3,658	1,515	689
1952–53	80,050	14,200	4,802	1,905	787
1953–54	82,820	15,640	5,900	2,288	1,095
1954–55	104,110	16,960	6,860	2,660	1,231
1955–56	133,120	17,490	6,260	2,302	1,065
1956–57*	157,700	21,300	8,000	3,000	†

*Provisional estimates subject to revision.

†Not available.

From and including 1953–54, aggregated assessments on husband and wife have been counted as two separate incomes. Formerly they were included in these statistics as one combined income.

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