

Remuneration Authority (Members of Parliament Remuneration) Amendment Bill

Government Bill

Explanatory note

General policy statement

The purpose of this Bill is to implement the Government's decision to freeze Members of Parliament (MPs) salaries, expense allowances, and superannuation subsidies from 1 July 2018 until 30 June 2019 at the levels determined in the Parliamentary Salaries and Allowances Determination 2017 (the **2017 determination**) and the Parliamentary Superannuation Determination 2003. During the pay freeze, a review will be undertaken into the settings for determining MPs remuneration.

The amendments in the Bill require amendments to the Remuneration Authority Act 1977 and the Members of Parliament (Remuneration and Services) Act 2013 (the **MoP Act**).

Part 1 amends the Remuneration Authority Act 1977 to provide that no determination may be made to change superannuation subsidies, salaries, or allowances of members of Parliament for the period from 1 July 2018 to 30 June 2019. This is despite requirements in the Act requiring salary determinations to be issued at least every 12 months and allowance determinations to be issued at least every 3 years.

Part 2 is an amendment to the MoP Act to provide that the Remuneration Authority may not make a determination about the salaries, or allowances of members of Parliament for the period from 1 July 2018 to 30 June 2019.

The *Schedule* deems the 2017 determination, which determined salaries for the period from 1 July 2017 to 30 June 2018, to continue to have effect as if the expiry date in the 2017 determination were 30 June 2019 instead of 30 June 2018.

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement pro-

vides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2018&no=104>

Regulatory impact assessment

The Ministry of Business, Innovation, and Employment produced a regulatory impact assessment on 6 September 2018 to help inform the main policy decisions taken by the Government relating to the contents of this Bill.

A copy of this regulatory impact assessment can be found at—

- <http://www.mbie.govt.nz/info-services/employment-skills/legislation-reviews/pdf-library/ris-members-of-parliament-remuneration.pdf>
- <http://www.treasury.govt.nz/publications/informationreleases/ria>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 provides that the Bill comes into force on the day after the date on which it receives Royal assent.

Part 1

Amendments to Remuneration Authority Act 1977

Clause 3 provides that *Part 1* amends the Remuneration Authority Act 1977.

Clause 4 amends section 12 to provide that no determination may be made to change superannuation subsidies in respect of the period from 1 July 2018 to 30 June 2019.

Clause 5 amends section 19 to provide that no determination may be issued to change the salaries or allowances of members of Parliament for the period from 1 July 2018 to 30 June 2019 (despite the requirement in section 19(5) for salary determinations to be issued at least every 12 months and allowance determinations to be issued at least every 3 years).

Clause 6 inserts the *Part 2* set out in *the Schedule* into Schedule 1AA, which contains transitional, savings, and related provisions relating to this amendment Bill. *New clause 5* of Schedule 1AA provides that the provisions of the Parliamentary Salaries and Allowances Determination 2017 (the **2017 determination**) that determined salaries for the period from 1 July 2017 to 30 June 2018 are deemed to continue in effect as if the expiry date in the 2017 determination were 30 June 2019 instead of 30 June 2018.

Part 2
**Amendment to Members of Parliament (Remuneration and
Services) Act 2013**

Clause 7 provides that *Part 2* amends the Members of Parliament (Remuneration and Services) Act 2013.

Clause 8 amends section 8 to provide that the Remuneration Authority may not make a determination about the salaries or allowances of members of Parliament for the period from 1 July 2018 to 30 June 2019.

Hon Iain Lees-Galloway

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Remuneration Authority (Members of Parliament Remuneration) Amendment Act **2018**.
- 2 Commencement** 5
This Act comes into force on the day after the date on which it receives Royal assent.
- Part 1**
Amendments to Remuneration Authority Act 1977
- 3 Amendments to Remuneration Authority Act 1977** 10
This Part amends the Remuneration Authority Act 1977.
- 4 Section 12 amended (Functions of Authority)**
After section 12(2B), insert:
- (2C) The Authority may not make a determination under subsection (1)(b) or (ba) on or after the commencement of the Remuneration Authority (Members of Parliament Remuneration) Amendment Act **2018** that changes— 15
- (a) the maximum amount payable by way of superannuation subsidy in respect of a member of Parliament in the period from 1 July 2018 to 30 June 2019; or
- (b) the contribution that the member must make to the retirement scheme in the period from 1 July 2018 to 30 June 2019 in order to be entitled to any of the subsidy. 20
- 5 Section 19 amended (Frequency of adjustments)**
After section 19(5), insert:
- (6) Despite subsection (5), no determination may be issued in respect of the salaries or allowances of members of Parliament for the period from 1 July 2018 to 30 June 2019. 25
- 6 Schedule 1AA amended**
In Schedule 1AA, after Part 1, insert the **Part 2** set out in the **Schedule** of this Act. 30

Part 2
**Amendment to Members of Parliament (Remuneration and
Services) Act 2013**

- 7 Amendment to Members of Parliament (Remuneration and Services) Act 2013** 5
- This Part amends the Members of Parliament (Remuneration and Services) Act 2013.
- 8 Section 8 amended (Remuneration Authority to determine salaries and allowances)** 10
- After section 8(4), insert:
- (5) The Remuneration Authority may not make a determination under this section in respect of the salaries and allowances to be paid to members of Parliament for the period from 1 July 2018 to 30 June 2019.

Schedule
**New Part 2 inserted into Schedule 1AA of Remuneration Authority
Act 1977**

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	Part 2	5
	Provisions relating to Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2018	
5	Parliamentary Salaries and Allowances Determination 2017 has effect for period 1 July 2018 to 30 June 2019	
	The Parliamentary Salaries and Allowances Determination 2017 continues to apply as if the expiry date specified in clause 3 of the determination were 30 June 2019.	10