

Remuneration Authority (Members of Parliament) Amendment Bill

Government Bill

As reported from the Standing Orders Committee

Commentary

Recommendation

The Standing Orders Committee has examined the Remuneration Authority (Members of Parliament) Amendment Bill and recommends that it be passed with the amendments shown.

Background

Recommendations from reviews

The Remuneration Authority (Members of Parliament) Amendment Bill arises from recommendations made in two reviews of the remuneration and expenses of members of Parliament.

The report of the Controller and Auditor-General on *Parliamentary Salaries, Allowances and Other Entitlements*, presented to the House in July 2001, set out options and principles for the administration of the pay and allowances of members of Parliament. In particular, the report urged that remuneration and expenses be clearly differentiated, that there be greater transparency, and that the responsibilities of the respective administering agencies be clarified.

The Parliamentary Service Commission established an independent review group to review the report of the Controller and Auditor-General. The review group reported in March 2002. It recommended a regime based on one of the options put forward by the Controller and Auditor-General.

Restructuring and determination of remuneration and expenses

The bill as introduced amends the Higher Salaries Commission Act 1977 (the principal Act) to give effect to the recommendations of the review group. It requires the Higher Salaries Commission (renamed the Remuneration Authority) to restructure the remuneration and expenses of members of Parliament according to certain principles set out in clause 4. The restructuring is to take place by 1 April 2003.

As introduced, the bill provides for the ongoing determination of both the remuneration and expenses of members of Parliament by the Remuneration Authority, and for the Authority to decide any issues about how a determination is to operate or how it is to be interpreted or applied. Provisions in the bill clarify the tax treatment of members' remuneration and expenses, and require the Remuneration Authority to consult the Commissioner of Inland Revenue about taxation consequences of its determinations in respect of members. Nothing in the bill limits or reduces the current entitlements and benefits of former members of Parliament, and the bill preserves the status quo of members of Parliament in respect of Government Superannuation Fund benefits.

Decision-making responsibilities

Overlap of responsibilities

The report of the Controller and Auditor-General identified as a significant issue the lack of clear 'ownership' of responsibility for some aspects of the allowances and entitlements of members of Parliament. We agree that there is uncertainty and overlap between the respective jurisdictions of the Higher Salaries Commission, on the one hand, and the Speaker and the Minister responsible for Ministerial Services, on the other. The jurisdiction of each decision-making body should be clearly defined, and should not overlap with the jurisdiction of any other body.

We therefore agree that arrangements for the salary, allowances and expenses of members of Parliament should be reviewed. A primary consideration, then, is which agency should conduct the review and be responsible for the ongoing administration of these matters. As discussed below, we do not agree with the views expressed by the Controller and Auditor-General and the review group that such matters should be placed entirely within the jurisdiction of the Remuneration Authority.

Remuneration Authority to determine salary and certain allowances

As noted in the 1973 report of the Royal Commission Upon Parliamentary Salaries and Allowances, the role of a member of Parliament is full time and professional in nature. The Royal Commission also stated that it should be assumed members of Parliament have no other income, that members are married with family commitments, and that regard should be had to the sacrifices a member and his or her spouse have to make in their enjoyment of leisure and family life.

The bill as introduced places responsibility for all remuneration and expenses with the Remuneration Authority. It is certainly appropriate that this independent agency retain responsibility for determining the core remuneration of members of Parliament. This includes members' salaries and superannuation, and allowances that are remunerative in nature. We therefore recommend that allowances within the jurisdiction of the Remuneration Authority be defined as the basic expense allowance and office-holder allowance. The requirement for the Authority to consult the Commissioner of Inland Revenue is to remain in the bill.

Travel, accommodation, attendance and communications services

Domestic air travel by members of Parliament is fully funded by the taxpayer. While there is currently no requirement for the use of this entitlement to be linked to the fulfilment of parliamentary purposes, nearly all use of the travel entitlement by members of Parliament is for parliamentary business. The great majority of such expenditure arises from the need for members to travel from their electorates to attend the House and select committees. Members, particularly Ministers, are invited to travel around the country to attend meetings and events and visit sites relevant to their assigned portfolios.

There is some potential for private benefit arising from the use of the domestic air travel entitlement. Currently it is estimated (for the purpose of calculating fringe benefit tax) that 5 percent of domestic travel by members of Parliament is not for parliamentary purposes. Domestic air travel privileges are also accorded to members' spouses and family members. While this travel is not always linked directly with parliamentary business, this entitlement recognises the

impact upon families and relationships of the requirement for members to travel and live away from home to attend the House and select committees.

The constituency allowance currently paid to constituency members is designed to cover travel by members around their electorates, some of which are many thousands of square kilometres in extent. However, part of this allowance is treated as income, and we consider it may be more appropriate for it to be replaced by a mileage allowance.

The bill as introduced provides for the Remuneration Authority to determine the extent of all work-related expenses, including the provision of travel, accommodation, attendance and communications services. We consider this arrangement would be problematic, as it would shift the responsibility for making all decisions about such services to a body that is not directly involved with the details of parliamentary operations. We note that the Authority does not determine the work-related services for any of the occupations for which it determines the salary. Moreover, it is not desirable that an outside agency be empowered to constrain the capacity of members to travel, as such travel is an essential aspect of the functioning of the House and select committees. A non-parliamentary body should not be responsible for determining what services should be funded as parliamentary business. We therefore recommend that the bill be amended so that responsibility for determining travel, accommodation, attendance and communications services is clearly retained by the Speaker and the Minister responsible for Ministerial Services.

Our recommended amendments refer to services ‘in respect of’ members of Parliament. This wording is intended to include services provided to family members. We also recommend that partners be considered family members (as well as wives, husbands, widows, widowers or issue) (see the recommended amendment to section 25(1)(f) of the Civil List Act 1979 in Schedule 2). A family member may only be considered as such, for the purposes of providing a service, with the Speaker’s approval.

Transparency

Greater transparency sought

As noted above, we agree with the finding of the Controller and Auditor-General that the administration of allowances and entitlements should be more transparent than at present. The Controller

and Auditor-General particularly pointed to the absence of clearly defined rules for determining such payments. The bill as introduced provides for a review to be conducted by the Remuneration Authority, with the objective of increasing the transparency of the system by clarifying the responsibilities for setting remuneration and reimbursing expenses.

Review of services

We consider that a review of travel, accommodation, attendance, and communications services in respect of members of Parliament is desirable, particularly with a view to improving transparency. Since we recommend that these services continue to be administered through the Parliamentary Service, we consider the Parliamentary Service Commission is the appropriate body to review these services and make a recommendation to the Speaker accordingly.

To ensure the complex issues surrounding these services are clarified, we recommend that the Parliamentary Service Commission conduct the review in consultation with the Minister responsible for Ministerial Services, and the Commissioner of Inland Revenue. Recommended new clause 7 provides for this review and for the Speaker to make a determination in light of the Commission's recommendation and present it to the House.

New clause 8 sets out a requirement for the Minister responsible for Ministerial Services to conduct a similar review of services in respect of members of the Executive. The Minister will also be required to make a determination and present it to the House.

Process for making determinations

Details about the process of determining services in respect of members of Parliament are set out in recommended new section 20A of the Civil List Act 1979. As well as providing for consultation as above, this section provides that the Speaker and the responsible Minister may make a joint determination or separate determinations (subsection (6)). Subsection (7) states what is covered by the expression 'travel, accommodation, attendance, and communications services'. Determinations are to be published as regulations (under subsection (8)), but will not be subject to the Regulations (Disallowance) Act 1989.

Different ways for determining services are set out in recommended new section 20B. Determinations may fix services or provide methods for calculating or ascertaining services. Any monetary amounts may be indexed automatically against surveys published by Statistics New Zealand. Determinations may incorporate other documents by reference, provided those documents are available for inspection and available on the Internet. Services determined under recommended new section 20A will be payable through a permanent legislative authority, unless they are set out in documents incorporated by reference in a determination, in which case payments will be made out of money appropriated by Parliament.

Clarification of tax treatment

Members of Parliament employees for tax purposes

The bill makes it clear that members of Parliament are to be treated as employees for tax purposes, by amending the definitions of 'salary or wages' and 'employment' in the Income Tax Act 1994. This will confirm that members are unable to claim tax deductions for expenses as if they were self-employed. Amendments will also ensure fringe benefit tax rules will be applied in full to members' services and entitlements where there is any personal benefit element involved. We support these provisions.

Fringe benefit tax

Some issues have arisen in determining the extent to which some parliamentary allowances, entitlements and services should attract fringe benefit tax, as it is sometimes difficult to establish the level of personal benefit arising from them. In this regard it is not relevant whether services are administered by the Remuneration Authority or by the Parliamentary Service. The Commissioner of Inland Revenue will examine the nature of each service to determine its tax treatment. The issue of how personal benefit is ascertained should be addressed through the reviews by the Parliamentary Service Commission and the Minister responsible for Ministerial Services. Regardless of how personal benefit is quantified, we recommend that the private component of travel, accommodation, attendance, and communication services be subject to fringe benefit tax, and we have recommended that the bill be amended accordingly (see our recommended amendments to new sections CB 7 and CI 1 of the Income Tax Act 1994, in Part 1 of Schedule 2).

Other issues raised in submissions

Proposed additional functions for Remuneration Authority

The Controller and Auditor-General, in his submission, suggested two new functions for the Remuneration Authority. First, he suggested the Authority be empowered to prescribe maximum amounts that a member can claim against a particular expense in a financial year. Second, he proposed that there be provision for the Authority to review the implementation of its decisions by the Parliamentary Service and Ministerial Services. In light of our previous recommendations, we consider these proposed new functions are unnecessary, as relevant categories of services will not be within the jurisdiction of the Remuneration Authority.

Entitlements of former members of Parliament

We received a submission from the Association of Former Members of the Parliament of New Zealand. The Association submitted that the bill should clarify that travel entitlements already assigned to former members of Parliament are not to be treated as fringe benefits or income for taxation purposes. The bill is intended to protect existing arrangements for former members. However, our recommended amendments to the Income Tax Act 1994 will mean that these benefits will be subject to fringe benefit tax, to the extent that it is applicable.

New section 12(4) of the principal Act, as added by Schedule 1, protects the position of former members, given that the bill would otherwise have prevented travel benefits being paid under section 25 of the Civil List Act 1979 (as at present). Our recommendation that travel not be subject to the jurisdiction of the Remuneration Authority means that there is no need to protect the position of former members in this way. We therefore recommend that this provision be omitted.

Appendix

Committee process

The Remuneration Authority (Members of Parliament) Amendment Bill was referred to the committee on 28 August 2002. The closing date for submissions was 30 September 2002. We received and heard 2 submissions. The hearing of evidence took 44 minutes and consideration took a further 6 hours and 9 minutes.

We received advice from the General Manager of the Parliamentary Service, and the Inland Revenue Department. Witnesses also attended from the Higher Salaries Commission.

Committee membership

Rt Hon Jonathan Hunt (Chairperson)

Hon Richard Prebble (Deputy Chairperson)

Hon Jim Anderton

David Benson-Pope

Peter Brown

Gerry Brownlee

John Carter

Hon Dr Michael Cullen

Rod Donald

Hon Peter Dunne

Gordon Copeland and Dail Jones participated as temporary replacement members.

Remuneration Authority (Members
of Parliament) Amendment

Key to symbols used in reprinted bill

As reported from a select committee

Struck out (unanimous)

Subject to this Act,

Text struck out unanimously

New (unanimous)

Subject to this Act,

Text inserted unanimously

(Subject to this Act,)

Words struck out unanimously

Subject to this Act,

Words inserted unanimously

Hon Dr Michael Cullen

Remuneration Authority (Members of Parliament) Amendment Bill

Government Bill

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The Parliament of New Zealand enacts as follows:

1 Title

- (1) This Act is the Remuneration Authority (Members of Parliament) Amendment Act **2002**.
- (2) In this Act, the Higher Salaries Commission Act 1977¹ is called “the principal Act”. 5

¹ 1977 No 110

Struck out (unanimous)

Part 1

Commencement and restructuring of benefits of members of Parliament

2 Commencement

This Act comes into force on *(the day after the date on which it receives the Royal assent)* **1 April 2003**. 10

Struck out (unanimous)**3 Restructuring of remuneration and expenses of members of Parliament**

The Remuneration Authority must—

- (a) restructure the remuneration and expenses of members of Parliament; and 5
- (b) ensure that its first determination in respect of members of Parliament after the commencement of this Act comes into force, in order to implement the restructuring, on **1 April 2003** and applies to all service as a member of Parliament on and after that date. 10

4 Principles applying to restructuring

The Remuneration Authority must conduct that restructuring having regard to the following:

- (a) the objectives of—
 - (i) increasing the transparency of the current system by clarifying the responsibilities for setting remuneration and reimbursing expenses; and 15
 - (ii) ensuring consistency with current tax law; and
- (b) the principle that the Remuneration Authority determination should include, as remuneration, any benefits that are wholly or partially for private use or enjoyment; and 20
- (c) the desirability of the same rules applying to list and constituency members of Parliament; and
- (d) the desirability of the results of the restructuring being as fiscally neutral as practicable; and 25
- (e) the desirability of not affecting materially the overall financial position of members of Parliament as a whole to their disadvantage.

Part 2
Amendments to Acts

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5 Amendments to principal Act

- (1) After the commencement of this Act, the principal Act is called the Remuneration Authority Act 1977.
- (2) The provisions of the principal Act listed in **Schedule 1** are amended in the manner indicated in that schedule. 35

- (3) All references to the Higher Salaries Commission or to the Higher Salaries Commission Act 1977 in any Act, regulation, order, or other enactment or in any agreement, deed, instrument, application, notice, or other document whatsoever must, unless the context otherwise requires, be read as references to the Remuneration Authority or to the Remuneration Authority Act 1977, as the case may be. 5

6 Amendments to other Acts

- (1) The Acts listed in **Schedule 2** are amended in the manner indicated in that schedule. 10

New (unanimous)

- (2) The amendments to sections CB 7 and CI 1 of the Income Tax Act 1994 set out in **Part 1** of **Schedule 2** apply on and after **1 April 2003**.
(3) The amendments to section OB 1 of the Income Tax Act 1994 set out in **Part 1** of **Schedule 2** apply on and after **1 April 2002**. 15

7 Review of services in respect of members of Parliament

- (1) The Parliamentary Service Commission must, as soon as practicable after the commencement of this Act, review the travel, accommodation, attendance, and communications services in respect of members of Parliament. 20
(2) The Commission must consult with the Minister who has, with the authority of the Prime Minister, for the time being assumed responsibility for Ministerial services and with the Commissioner of Inland Revenue.
(3) The Parliamentary Service Commission must, at the end of the review, make a recommendation to the Speaker of the House of Representatives. 25
(4) The Speaker must, as soon as practicable,—
(a) consider the recommendation and make a determination under **section 20A** of the Civil List Act 1979; and 30
(b) present a copy of the recommendation and a copy of the determination to the House of Representatives.

New (unanimous)

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| 8 | Review of services in respect of Executive | |
| (1) | The Minister who has, with the authority of the Prime Minister, for the time being assumed responsibility for Ministerial services must, as soon as practicable after the commencement of this Act, review any additional or alternative services in respect of Executive travel, accommodation, attendance, and communications. | 5 |
| (2) | The Minister must consult with the Parliamentary Service Commission and with the Commissioner of Inland Revenue. | |
| (3) | The Minister must, as soon as practicable after the review,— | 10 |
| | (a) make a determination under section 20A of the Civil List Act 1979; and | |
| | (b) present a copy of the determination to the House of Representatives. | |
| 9 | Transitional provision | 15 |
| (1) | This section applies if the Remuneration Authority makes a determination that supersedes the Parliamentary Salaries and Allowances Determination 2001 (2001/392) at any time before the Speaker of the House of Representatives has determined travel, accommodation, attendance, and communications services in respect of members of Parliament under section 7 . | 20 |
| (2) | The provisions of the Parliamentary Salaries and Allowances Determination 2001 relating to the travel, accommodation, attendance, and communications services in respect of members of Parliament continue in force— | 25 |
| | (a) to the extent that the Speaker so specifies by notice in the <i>Gazette</i> ; and | |
| | (b) for a period specified in the notice, which period may begin not earlier than 1 April 2003 and end not later than 30 June 2003 or the date on which the Speaker determines those services, whichever first occurs. | 30 |
| (3) | Subsection (2) applies despite the earlier revocation or expiry of the Parliamentary Salaries and Allowances Determination 2001. | 35 |

Schedule 1
Amendments to principal Act

s 5

Long Title

Repeal.

Section 1

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Omit from subsection (1) the words “Higher Salaries Commission”, and substitute the words “Remuneration Authority”.

Section 2

Insert, in their appropriate alphabetical order:

New (unanimous)

“**allowance**, in relation to a member of the House of Representatives, means a basic expense allowance and an office-holder allowance

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“**Authority** means the Remuneration Authority established by section 4(1)”.

Struck out (unanimous)

“**expenses** means—

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“(a) in relation to a member of Parliament, any costs related to parliamentary business that are determined by the Remuneration Authority to be expenses for which the member who incurred those costs may be reimbursed; and

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“(b) in relation to any other person, any work-related costs that are determined by the Remuneration Authority to be expenses for which the person who incurred those costs may be reimbursed”.

Repeal the definition of **Commission**.

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Section 4

Omit from subsection (1) and the heading to section 4 the words “Higher Salaries Commission” and substitute in both places the words “Remuneration Authority”.

Section 12**Struck out (unanimous)**

Repeal subsection (1)(a)(i) and substitute:

- “(i) the remuneration and expenses of members of the House of Representatives, being remuneration and expenses required to be determined by the Authority under the Civil List Act 1979:” 5

Insert in subsection (1), after paragraph (ba):

- “(bb) *(determining)* to determine issues about how any provision of a determination is to be interpreted or applied or is to operate:” 10

Struck out (unanimous)

Repeal subsection (2) and substitute:

“(2) The Remuneration Authority may do 1 or more of the following things under subsection (1):

- “(a) fix scales of remuneration or ranges of remuneration: 15
 “(b) fix different forms of remuneration:
 “(c) fix scales of allowances:
 “(d) prescribe rules for the application of those scales, ranges, or different forms of remuneration:
 “(e) prescribe expenses for which a member of Parliament or other person may be reimbursed: 20
 “(f) prescribe rules that apply in relation to the reimbursement of expenses:
 “(g) determine, in relation to a member within the meaning of section 82(1) of the Government Superannuation Fund Act 1956, the part of the remuneration of that member that is to be treated as the salary of that member for the purposes of Part VI of that Act: 25
 “(h) determine the part of the remuneration of a member that is to be treated as an ordinary member’s salary for the purposes of section 12(2A) (which relates to superannuation subsidies for members who choose to contribute to registered superannuation schemes): 30
 “(i) determine a salary for the purposes of section 18(3) of the Civil List Act 1979:

Struck out (unanimous)

Section 12—continued

“(j) make determinations that apply to individuals, or groups occupying equivalent positions.”

Add:

“(4) Subsection (3) does not limit the power to grant, under section 25 of the Civil List Act 1979, benefits or privileges in respect of a person who became a member of Parliament before **1 April 2003** but who is no longer a member of Parliament at the time of the granting of the benefit or privilege.”

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Section 12A

Repeal.

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New (unanimous)

Section 12A

Repeal subsection (3).

Struck out (unanimous)

Section 12AA

Omit from subsection (1) the words “salary or”.

New (unanimous)

Section 12C

Repeal subsection (3).

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Section 14

Repeal and substitute:

“**14 Implementation of determinations**

“(1) Every determination of the Authority has effect according to its tenor and, despite anything in any other enactment, an Order in Council is not required in order to fix the rates or scales of any (*remuneration or expenses*) salary or allowances that are determined by the Authority in a determination.

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Section 14—continued**New (unanimous)**

“(2) It is unlawful for any person to act contrary to a determination under this Act or to fail to observe the criteria or limits specified in a determination.”

Section 16

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Struck out (unanimous)

Omit from the heading the words “**pay and allowances**” and substitute the words “**remuneration and expenses**”.
Omit from subsection (1) the words “salaries and allowances” and substitute the words “remuneration and expenses”.

New (unanimous)

Omit from the heading the word “**pay**” and substitute the word “**salary**”.

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Struck out (unanimous)**Section 17**

Omit from subsection (7) the words “salaries and allowances” and substitute the words “remuneration and expenses”.

New section 17A

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Insert, after section 17:

“**17A Obligation to consult with Commissioner of Inland Revenue before making determinations regarding members of Parliament**

Before making a determination under **section 12(1)(a)(i)**, the Authority must consult with the Commissioner of Inland Revenue about the taxation consequences of the Authority’s proposed determination.”

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New (unanimous)

New section 17A

Insert, after section 17:

“17A Obligation to consult before making determinations about Parliamentary salaries and allowances

Before making a determination under section 12(1)(a)(i), the Authority must— 5

“(a) consult with the Commissioner of Inland Revenue about the taxation consequences of the Authority’s proposed determination; and

“(b) consult with the Speaker of the House of Representatives and the Minister who has, with the authority of the Prime Minister, for the time being assumed responsibility for Ministerial services, about the services for which they have jurisdiction.” 10

Section 24

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Add, as subsection (2):

Struck out (unanimous)

“(2) This section does not apply to the determination referred to in **section 3 of the Remuneration Authority (Members of Parliament) Amendment Act 2002.**”

New (unanimous)

“(2) This principle does not apply to any change in remuneration arising from the **Remuneration Authority (Members of Parliament) Amendment Act 2002.**” 20

Section 26

Repeal.

Section 30

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Omit the words “Higher Salaries Commission” and substitute the word “Authority”.

Omit the words “that Commission” and substitute the words “that Authority”.

Section 30—continued**Struck out (unanimous)**

Add, as subsection (2):

“(2) This section does not limit the power to grant, under section 25 of the Civil List Act 1979, benefits or privileges in respect of a person who became a member of Parliament before **1 April 2003** but who is no longer a member of Parliament at the time of the granting of the benefit or privilege.”

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General

Omit the word “Commission” in every other place where it appears in the Act (except in the Schedules and in the reference to a Commission of Inquiry in section 25(1)) and substitute in each case the word “Authority”.

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Schedules

Omit from the headings to the First and Fourth Schedules the words “**Higher Salaries Commission**” in every place where they appear and substitute in each case the word “**Authority**”.

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Schedule 2
Amendments to other Acts

s 6

Part 1

Amendments to other Acts relating to remuneration and
expenses of members of Parliament

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Civil List Act 1979 (1979 No 33)

Struck out (unanimous)

Omit from the heading to section 16 the words “**Salaries and allowances**” and substitute the words “**Remuneration and expenses**”.

Omit from section 16(1) the words “fix the salaries and allowances” and substitute the words “determine the remuneration and expenses”.

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Repeal section 16(2).

Omit from section 16(3) the words “The salaries and allowances” and substitute the words “The remuneration and expenses”.

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Omit from the heading to section 18 the words “**Salaries and allowances**” and substitute the words “**Remuneration and expenses**”.

Omit from section 18(1), (2), and (4) the words “the salary and allowance” and substitute in each case the words “the remuneration and expenses”.

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Omit from the heading to section 20 the words “**salaries and allowances**” and substitute the words “**remuneration**”.

Omit from section 20 the words “salaries and allowances” and substitute the word “remuneration”.

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Add to section 20, as subsection (2):

“(2) No expenses are payable in respect of any sitting day for which a deduction is made under this section.”

New (unanimous)

Insert, after section 20:

Part 1—*continued***Civil List Act 1979** (1979 No 33)—*continued***New (unanimous)****“20A Travel, accommodation, attendance, and communications services for members**

- “(1) The Speaker of the House of Representatives must determine, in respect of members of Parliament, travel, accommodation, attendance, and communications services. 5
- “(2) Before making the determination, the Speaker must take into account any relevant advice and any relevant recommendation given or made by the Parliamentary Service Commission under the Parliamentary Service Act 2000. 10
- “(3) The Minister who has, with the authority of the Prime Minister, for the time being assumed responsibility for Ministerial services must determine, in respect of members of the Executive, any additional or alternative services in respect of Executive travel, accommodation, attendance, and communications. 15
- “(4) That Minister determines, in his or her sole discretion, which office holders are members of the Executive for the purpose of **subsection (3)**.
- “(5) Before making a determination under this section, the determining body must— 20
- “(a) consult with the Commissioner of Inland Revenue about the taxation consequences of the proposed determination; and
- “(b) consult with, as the case may be, the Speaker or the Minister about the services for which they have jurisdiction. 25
- “(6) A determination under this section may be made jointly by the Speaker and the Minister, or may be a separate determination made by one of those persons for services for which that person has jurisdiction. 30
- “(7) **Travel, accommodation, attendance, and communications services**, in this section, include—
- “(a) the payment of money or allowances for those things; and

Part 1—*continued*

Civil List Act 1979 (1979 No 33)—*continued*

New (unanimous)

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| “(b) provision for any member of the family (as referred to in section 25(1)(f)) of a member of Parliament for those things; and | |
| “(c) any other means of meeting the travel, accommodation, attendance, and communications needs or obligations of members of Parliament. | 5 |
| “(8) A determination under this section is deemed to be a regulation for the purposes of the Acts and Regulations Publication Act 1989 but not for the purposes of the Regulations (Disallowance) Act 1989. | 10 |
| “20B Different ways in which services may be determined and funded | |
| “(1) A determination under section 20A may determine services by doing all or any of the following: | 15 |
| “(a) fixing services or providing a method by which services can be calculated or ascertained: | |
| “(b) providing for any monetary amounts to be adjusted according to any percentage movements in any index or survey published by Statistics New Zealand: | 20 |
| “(c) incorporating by reference all or part of any other document that sets out— | |
| “(i) any services to be provided to members of Parliament under the Parliamentary Service Act 2000: | |
| “(ii) any funding entitlements for parliamentary purposes to be provided under that Act: | 25 |
| “(iii) any matters referred to in section 25 of this Act. | |
| “(2) Material incorporated into the determination by reference under subsection (1)(c) (as it existed on the date of the inclusion but with any additions or variations (if any) as are specified in the determination) forms part of the determination for all purposes. | 30 |

Part 1—*continued*Civil List Act 1979 (1979 No 33)—*continued*

New (unanimous)

- “(3) The Speaker of the House of Representatives must ensure that a copy of all material incorporated in a determination by reference under **subsection (1)(c)**—
- “(a) is available for inspection free of charge, or for purchase at a reasonable price, at Parliament House in Wellington and at any other place or places that he or she appoints; and
 - “(b) is published on the Internet.
- “(4) The services determined under **section 20A** are,—
- “(a) in the case of matters incorporated by reference under **subsection (1)(c)**, payable out of money appropriated by Parliament; and
 - “(b) in the case of other services, payable out of public money without further appropriation than this section.”
- Repeal section 21.

Struck out (unanimous)

Add to section 25:

- “(4) For the avoidance of doubt, this section does not authorise the granting of any benefits or privileges which are within the jurisdiction of the Remuneration Authority to determine in respect of any person who is serving as a member at the time of the granting of the benefit or privilege.”

New (unanimous)

Insert in section 25(1)(f), after the word “husband,”, the word “partner,”.

Part 1—*continued*

Struck out (unanimous)

Government Superannuation Fund Act 1956 (1956 No 47)

Omit from section 82(1) the definition of **salary** and substitute:

“**salary**, in relation to a member, means that part of the remuneration payable to a member that is determined by the Remuneration Authority under the Civil List Act 1979 to be salary for the purposes of this Part of this Act”.

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Income Tax Act 1994 (1994 No 164)

New (unanimous)

Add to section CB 7:

“(d) any travel, accommodation, attendance or communications services—

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“(i) that are referred to in **section 20A** of the Civil List Act 1979 or paid under section 25 of that Act; and

“(ii) that are provided to a person to whom any of paragraphs (b) to (e) of section 25(1) of that Act applies or to any member of the person’s family.”

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Insert in section CI 1, after paragraph (g):

“(ga) any travel, accommodation, attendance or communications services—

“(i) that are referred to in **section 20A** of the Civil List Act 1979 or paid under section 25 of that Act; and

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“(ii) that are provided to a person to whom any of paragraphs (b) to (e) of section 25(1) of that Act applies or to any member of the person’s family; and

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“(iii) to the extent to which the services are exempt income because of **section CB 7(d)**.”

Insert in section CI 1, after the words “a contribution to a superannuation scheme,” (which appear in the words that follow paragraph (h)), the words “a service referred to in **paragraph (ga)**,”.

30

Add to the definition of **employment** in section OB 1 the following paragraph:

Part 1—*continued***Income Tax Act 1994** (1994 No 164)—*continued*

“(d) in this Act, includes the activities of the office of a member of Parliament which, when performed by the member of Parliament, give rise to an entitlement to the receipt of a source deduction payment in respect of that office”.

5

Insert in the definition of **salary or wages** in section OB 1, after paragraph (e), the following paragraph:

“(ea) all payments of (*remuneration*) salary or allowance made to a member of Parliament under a determination of the Remuneration Authority; and”.

10

Omit from the definition of **specified office holder** in section OB 1 the words “, or a Member of Parliament”.

Struck out (unanimous)

The amendments to the Income Tax Act 1994 set out in this Part apply to income years commencing on and after 1 April 2002.

Part 2

15

Amendments to Acts relating to change of name of Higher Salaries Commission to Remuneration Authority

Civil List Act 1979 (1979 No 33)

Omit from section 3(1)(a) the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

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Omit from section 4(1)(a), (b), (2)(a), and (b) the words “Higher Salaries Commission” and substitute in each case the words “Remuneration Authority”.

Omit from section 16 the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

25

Struck out (unanimous)

Omit from section 21 the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

Omit from section 22 the words “Higher Salaries Commission” in

Part 2—*continued*

Civil List Act 1979 (1979 No 33)—*continued*

every place where they appear and substitute in each case the words “Remuneration Authority”.

Repeal section 26(3).

Civil List Amendment Act 1985 (1985 No 48)

Repeal sections 7 and 9.

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Civil List Amendment Act 1987 (1987 No 132)

Repeal.

Clerk of the House of Representatives Act 1988 (1988 No 126)

Omit from section 8(1) the words “Higher Salaries Commission pursuant to the Higher Salaries Commission Act 1977” and substitute the words “Remuneration Authority under the Remuneration Authority Act 1977”.

10

Omit from section 32(7) the expression “Higher Salaries Commission Act 1977” and substitute the expression “Remuneration Authority Act 1977”.

15

Commerce Act 1986 (1986 No 5)

Omit from section 10(2) the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

Defence Act 1990 (1990 No 28)

Omit from section 45(4) the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

20

Disputes Tribunals Act 1988 (1988 No 110)

Omit from section 8A(1) the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

District Courts Act 1947 (1947 No 16)

25

Omit from sections 6 and 11G the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

Electoral Act 1993 (1993 No 87)

Omit from sections 37 and 38(1)(a)(ii) and from clause 1 of the First Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

30

Part 2—*continued***Employment Relations Act 2000** (2000 No 24)

Omit from sections 171(1), 206(1), and 207(7) the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

Environment Act 1986 (1986 No 127)

5

Omit from section 9(1) the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

Fees and Travelling Allowances Act 1951 (1951 No 79)

Omit from section 3 the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”. 10

Films, Videos, and Publications Classification Act 1993

(1993 No 94)

Omit from clause 4 of the First Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”. 15

Health and Disability Commissioner Act 1994 (1994 No 88)

Omit from clause 3 of the Second Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”. 20

Human Rights Act 1993 (1993 No 82)

Omit from clause 5 of the First Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

Omit from clause 5 of the Second Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”. 25

Income Tax Act 1994 (1994 No 164)

Omit from the definition of **specified office holder** in section OB 1 the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”. 30

Judicature Act 1908 (1908 No 89)

Omit from sections 9A, 26F, and 26G the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”. 35

Part 2—*continued*

- Law Commission Act 1985** (1985 No 151)
Omit from clause 1(1) of the First Schedule the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.
- Local Government Act 1974** (1974 No 66) 5
Omit from sections 101ZZF, 101ZZH, 101ZZI, 101ZZJ, 101ZZL, and 101ZZM the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.
- Local Government Amendment Act 1989** (1989 No 1) 10
Omit from section 25 the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.
- Maori Language Act 1987** (1987 No 176) 15
Omit from clause 9 of the Second Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.
- New Zealand Security Intelligence Service Act 1969**
(1969 No 24)
Omit from section 5(2) the expression “the Higher Salaries Commission Act 1977” and substitute the expression “the Remuneration Authority Act 1977”. 20
- Official Information Act 1982** (1982 No 156)
Omit from the First Schedule the item relating to the “Higher Salaries Commission” and insert, in its appropriate alphabetical order, the item “Remuneration Authority”. 25
- Ombudsmen Act 1975** (1975 No 9)
Omit from section 9(1) the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”. 30
- Parliamentary Service Act 2000** (2000 No 17)
Omit from clause 3(1) of Schedule 1 the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

Part 2—*continued***Police Complaints Authority Act 1988** (1988 No 2)

Omit from section 9(1) the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

Privacy Act 1993 (1993 No 28)

5

Omit from clause 3 of the First Schedule the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

Public Audit Act 2001 (2001 No 10)

Omit from clause 5(1) of Schedule 3 the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

10

Residential Tenancies Act 1986 (1986 No 120)

Omit from section 69(1) the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

15

Retirement Income Act 1993 (1993 No 148)

Omit from section 12 the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

20

Securities Act 1978 (1978 No 103)

Omit from section 14(1) the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

State Sector Act 1988 (1988 No 20)

Omit from section 15 the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

25

Statutes Drafting and Compilation Act 1920 (1920 No 46)

Omit from section 6A the words “Higher Salaries Commission” in both places where they appear and substitute in each case the words “Remuneration Authority”.

30

Te Ture Whenua Maori Act 1993 (1993 No 4)

Omit from section 13 the words “Higher Salaries Commission” in every place where they appear and substitute in each case the words “Remuneration Authority”.

35

Part 2—*continued*

Treaty of Waitangi Act 1975 (1975 No 114)

Omit from clause 3(1) of the Second Schedule the words “Higher Salaries Commission” and substitute the words “Remuneration Authority”.

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Legislative history

11 June 2002

Introduction (Bill 229–1)

28 August 2002

First reading and referral to Standing Orders
Committee
