

**Reprint
as at 11 November 2011**



**Parliamentary Salaries and
Allowances Determination 2010**

(SR 2010/487)

Parliamentary Salaries and Allowances Determination 2010: revoked (with effect on 1 July 2011), on 11 November 2011 (after expiring on 30 June 2011), by clause 7 of the Parliamentary Salaries and Allowances Determination 2011 (SR 2011/410).

Pursuant to section 16 of the Civil List Act 1979 and to the Remuneration Authority Act 1977, the Remuneration Authority makes the following determination (to which is appended an explanatory memorandum).

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Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

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

Determination

- 1 Title**
This determination is the Parliamentary Salaries and Allowances Determination 2010.
- 2 Commencement**
This determination is deemed to have come into force on 1 July 2010.
- 3 Expiry**
This determination expires on 30 June 2011.
- 4 Interpretation**
In this determination, **party** means a parliamentary political party whose members in the House of Representatives include at least 1 member elected as a constituency or list candidate for that party.
- 5 Salaries**

 - (1) The salaries payable under section 16 of the Civil List Act 1979 are set out in Schedule 1.
 - (2) No member of Parliament may be paid more than 1 salary at any one time under any of the provisions of Schedule 1 and, if a member holds 2 or more offices, the salary payable to that member is that payable for the office for which the highest salary is payable.
- 6 Allowance**

 - (1) The allowance payable under section 16 of the Civil List Act 1979 is set out in Schedule 2.
 - (2) The allowance is paid to the recipient for the purpose of reimbursing the recipient for expenses that arise from that recipient's official and parliamentary duties and that are not other-

wise covered by a determination made under section 20A of the Civil List Act 1979.

7 Revocation

The Parliamentary Salaries and Allowances Determination 2009 (SR 2009/340) is revoked.

Schedule 1 cl 5(1)
**Salaries payable under section 16 of Civil
List Act 1979**

| Office | Yearly rate of salary payable on and after 1 July 2010 (\$) |
|--|--|
| <i>Members of the Executive</i> | |
| Prime Minister | 400,500 |
| Deputy Prime Minister | 282,500 |
| Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet | 249,100 |
| Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios, but who is not a member of Cabinet | 209,100 |
| Each other member of the Executive Council | 181,300 |
| Each Parliamentary Under-Secretary | 161,100 |
| <i>Officers of the House of Representatives</i> | |
| Speaker of the House of Representatives | 249,100 |
| Deputy Speaker | 174,200 |
| Each Assistant Speaker | 148,500 |
| <i>Leader of the Opposition</i> | |
| Leader of the Opposition | 249,100 |
| <i>Other Party Leaders</i> | |
| Each member of Parliament who is the Leader of a party— | |
| Base salary | 148,500 |
| <i>plus</i> | |

| Office | Yearly rate of salary payable on and after 1 July 2010 (\$) |
|--|--|
| For each additional member of the party in the House of Representatives up to a maximum of 5 | 1,820 |
| <i>plus</i> | |
| For each additional member of the party in the House of Representatives over 5 up to a maximum of 23 | 1,210 |
| <i>plus</i> | |
| For each additional member of the party in the House of Representatives over 23 | 600 |
| <i>Deputy Leaders</i> | |
| Each member of Parliament who is the Deputy Leader of a party whose members in the House of Representatives number not less than 25— | |
| Base salary | 171,700 |
| <i>plus</i> | |
| For each additional member of the party in the House of Representatives over 25 up to a maximum of 35 | 600 |
| <i>plus</i> | |
| For each additional member of the party in the House of Representatives over 35 up to a maximum of 45 | 340 |
| <i>Whips</i> | |
| In respect of each party whose members in the House of Representatives number not less than 4— | |
| One Whip | |
| Base salary | 148,500 |
| <i>plus</i> | |
| For each member of the party in the House of Representatives over 6 up to a maximum of 24 | 1,210 |
| <i>plus</i> | |
| For each member of the party in the House of Representatives over 24 up to a maximum of 35 | 600 |
| <i>plus</i> | |

| Office | Yearly rate of salary payable on and after 1 July 2010 (\$) |
|---|--|
| For each member of the party in the House of Representatives over 35 up to a maximum of 45 <i>Senior Government Whip</i> | 340 |
| If a Whip referred to in one of the provisions under the heading <i>Whips</i> is also the Senior Government Whip, an additional sum is added | 4,360 |
| In respect of each party whose members in the House of Representatives number not less than 25,— One Junior Whip | 148,500 |
| <i>Chairpersons of select committees</i> Each member of Parliament who is— | 148,500 |
| (a) the chairperson of the Regulations Review Committee; or | |
| (b) the chairperson of a subject select committee specified in Standing Order 184 of the Standing Orders of the House of Representatives | |
| <i>Deputy chairpersons of select committees</i> Each member of Parliament who is— | 139,100 |
| (a) the deputy chairperson of the Regulations Review Committee; or | |
| (b) the deputy chairperson of a subject select committee specified in Standing Order 184 of the Standing Orders of the House of Representatives | |
| <i>Other members of Parliament</i> Each other member of Parliament | 134,800 |

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

cl 6(1)

Expenses allowance

Each member of Parliament is to be paid an expenses allowance in accordance with the following table:

| Office | Yearly rate of expenses allowance payable on and after 1 July 2010 |
|---------------------------------|---|
| | (\$) |
| Prime Minister | 20,400 |
| Speaker | 19,000 |
| Each other member of Parliament | 15,300 |

Dated at Wellington this 20th day of December 2010.

[Seal]

John Errington,
Chairman.

A Foulkes,
Member.

Explanatory memorandum

This memorandum is not part of the determination, but is intended to indicate its general effect.

1 General

- 1.1 This has been a year during which there has been much informed and uninformed comment about the remuneration of

parliamentarians and the role of the Remuneration Authority (the **Authority**) in setting and reviewing that remuneration. It is also a year in which an additional criterion was included in the criteria in the legislation under which the Authority undertakes its tasks. These criteria are—

- (a) the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere; and
- (b) the need to be fair both—
 - (i) to the persons or group of persons whose remuneration is being determined; and
 - (ii) to the taxpayer or ratepayer; and
- (c) the need to recruit and retain competent persons; and
- (d) the Authority—
 - (i) must take into account any prevailing adverse economic conditions, based on evidence from an authoritative source; and
 - (ii) may determine the remuneration at a rate lower than it would otherwise have determined.

A determination of remuneration at a lower rate under paragraph (d)(ii) must not result in the remuneration of a person or group of persons being lower than the remuneration the person or group of persons was entitled to before the determination.

- 1.2 It follows a year in which Parliament itself requested that it not receive an increase in remuneration, and the Authority acceded to that request, a move that adversely impacted the remuneration of members relative to groups against which they might otherwise be compared, but which the Authority agreed was warranted by the need to show leadership in adverse financial times.
- 1.3 Throughout 2010 there has been a call for greater clarity in the way the remuneration and allowances of members are set.
- 1.4 This memorandum seeks, as well as to explain the extent and limitations of Authority's role, to indicate the considerations that have driven the Authority in coming to its determination.
- 1.5 The last major review of the remuneration of members was undertaken in 2001–02 and the results were reflected in the determination issued in 2003. That determination confirmed the remuneration package approach taken by the Authority (by

recognising the value to the members of the travel discount entitlement) and comprised 3 components—

- (a) salary adjusted to reflect an averaged value of the travel discount entitlement; and
- (b) a tax-free allowance; and
- (c) a superannuation subsidy.

2 Salary

2.1 Looking at personal income, rather than the provision of administrative support to members, there are 3 parties who are involved in setting the employment package of members—

- the Speaker, by way of determination setting travel, accommodation, communication, and attendance rules, establishes entitlements for all members; and
- the Minister Responsible for Ministerial Services, by way of determination, sets additional or alternative entitlements for members of the Executive; and
- the Authority, which determines the salary, and the other matters referred to above, within certain restraints.

2.2 The review undertaken by the Authority in 2001–02 took account of the market rate for employees undertaking jobs with similar complexity and responsibility to identify a package value for ordinary members of Parliament. This figure reflected the total package of benefits members could expect to receive given the criteria in place at the time. Part of that package was the value of the travel discount entitlement.

2.3 Over the intervening years the Authority has reviewed and adjusted its view from time to time of the correct valuation of the travel discount entitlement to ensure that the overall remuneration package available to members was aligned to the appropriate external groups.

2.4 The same approach was not taken to set the salary rates for members with additional responsibilities. These were set using previous relativities within Parliament and reflect a measure of assessment of a fair remuneration for those members, taking into account the element of “public service” associated with those positions and the honour that many people feel when achieving higher status within Parliament. Had a form of external wage relativity been applied, the increases promul-

gated would have been significant and politically untenable. The Authority of the day recognised this and subsequent Authorities have also done so. By setting salary rates for members with additional responsibilities, the Authority recognises that the remuneration package for those members includes the value of the travel discount entitlement as well as the superannuation subsidy. For this reason, the Authority, which pays close attention to benefits provided to all members by the determination issued by the Speaker, has merely kept a weather eye on the changes that from time to time occur in the determinations issued by the Minister Responsible for Ministerial Services. Although the value of ministerial allowances and reimbursement may vary from time to time, the packages that Ministers enjoy do not match either public or private sector remuneration for similarly responsible positions.

- 2.5 This determination comes into effect on 1 July 2010, at which stage the travel discount entitlements available to members were unchanged from those available in 2003 (calculated at the time to be valued at \$10,700).
- 2.6 In reviewing that package this year, the Authority faces significant difficulties. The Authority has traditionally considered the previous year's usage of members' travel discount entitlements, and set the salary component of the members' remuneration accordingly. In the 2009–10 year, usage of all elements of members travel discount entitlements has decreased, the international element significantly. Given that the average cost of travel is offset against the salary for all members, there is a strong argument for an increase to salary to reflect the reduction in usage and subsequent reduction of cost to the taxpayer and value to the members. Such an increase should return members to the remuneration package they could expect to receive.
- 2.7 Yet matters are not frozen at the position as it stood on 1 July 2010. We understand usage of the travel discount entitlements continues to fall and the international travel component is in the process of being withdrawn, albeit alongside the introduction of a more targeted entitlement for travel on parliamentary business. Until the international entitlement is formally withdrawn and the changes in usage are reflected in the long-term

conduct of members, the final value of the continuing allowances cannot be assessed. In making such an assessment of value to members, the Authority will continue to be guided by the views of the Department of Inland Revenue on the personal benefit of any remaining travel allowances.

2.8 The Authority has therefore decided to issue 2 parliamentary determinations this year. This determination sets remuneration, taking into consideration—

- the wage movement the Authority would have applied from 1 July 2010 to parliamentary salaries, being 1.4%. This movement is less than the movement in the Consumers Price Index, is a movement that has applied across many parts of the public sector, and does not reinstate members at the level they would have received had an increase been applied in 2009;
- an additional adjustment of \$2,000 per member to partially reflect the fall-off in usage of the travel discount entitlements during the 2009–10 year. The Authority has not applied the full adjustment to members' packages until the long-term effect is clear. This adjustment reflects a saving to the taxpayer, and arguably fairer treatment of those members who did not access the payment.

2.9 The Authority will issue an amending determination early in the New Year once the ongoing effects of the new Speaker's Determination have been considered both by the Authority and the Inland Revenue Department. This second determination will not include a movement in the total value of a member's package but will make a further dollar-amount adjustment to salary to maintain the value of members' remuneration packages.

2.10 The Authority believes that these 2 adjustments that reflect the change in the travel allowance provision are cost-neutral to the taxpayer and meet both the letter and spirit of our legislation.

3 Tax-free allowances

The Authority has adjusted the members' tax-free allowances by 3.7% being the change in the Consumers Price Index since the allowance was last adjusted. The Authority will be working with the Speaker to gain assurance over the coming year that this allowance,

which was independently verified in 2001, is still set at an appropriate level to meet such genuine out-of-pocket business expenses as—

- (a) the entertainment of visitors, staff, constituents, and officials; and
- (b) memberships, sponsorships, and fees; and
- (c) koha; and
- (d) donations and raffle tickets; and
- (e) gifts and prizes; and
- (f) flowers (including wreaths); and
- (g) passport photos; and
- (h) clothing and grooming (Prime Minister only); and
- (i) briefcases and luggage; and
- (j) meals.

4 Superannuation

The Authority has made no adjustment to the percentage contribution payable to members' superannuation. This contribution, which is capped at 20% of an ordinary member's salary, ranges from 6.7% to 20%, depending on the position the member holds.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 23 December 2010.

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Notes**1 General**

This is a reprint of the Parliamentary Salaries and Allowances Determination 2010. The reprint incorporates all the amendments to the determination as at 11 November 2011, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

2 Status of reprints

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 How reprints are prepared

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked

are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

4 *Changes made under section 17C of the Acts and Regulations Publication Act 1989*

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

5 *List of amendments incorporated in this reprint (most recent first)*

Parliamentary Salaries and Allowances Determination 2011 (SR 2011/410):
clause 7

Parliamentary Salaries and Allowances Determination 2010 (SR 2010/487):
clause 3
