

Members of Parliament (Remuneration and Services) Bill

Government Bill

Explanatory note

General policy statement

This Bill establishes a new framework for setting entitlements for members of Parliament and the Executive. In December 2010, the Minister Responsible for the Law Commission presented the Law Commission's report *Review of the Civil List Act 1979—Members of Parliament and Ministers* to Parliament. The report recommended that Parts 3 and 4 of the Civil List Act 1979 should be repealed and replaced by a new statute.

This Bill implements most of the recommendations made in the Law Commission's report. It repeals the Civil List Act 1979 and modernises and modifies the law relating to—

- the salaries and allowances of members of Parliament;
- support services provided for members of Parliament, Ministers, and certain electoral candidates;
- annuities and other benefits and privileges for former Prime Ministers;
- benefits and privileges for former members of Parliament.

Key policy decisions implemented in this Bill include the following:

- the entitlements of members of Parliament and certain electoral candidates to travel and accommodation services will be determined by an independent body (with specified exceptions):
- that independent body will comprise the members of the Remuneration Authority together with a person with appropriate knowledge, skills, and experience:
- the Remuneration Authority will also determine entitlements to travel and accommodation services (excluding international travel and international accommodation services) for members of the Executive:
- the Speaker continues to be responsible for issuing directions setting out the allocation and administration of party and member support funding, the administrative and other services to be provided to members of Parliament, parties, and qualifying electoral candidates, and travel services in respect of members of Parliament participating in the political exchange programme:
- the Speaker continues to determine services for members of Parliament participating in the official inter-parliamentary relations programme:
- the Remuneration Authority and the Speaker must have regard to the same criteria specified in the Bill in making determinations or issuing directions:
- in the event of a member being absent (other than in accordance with the rules of the House of Representatives) for more than nine sitting days during any calendar year, the amount that may be deducted from the salary of that member for each subsequent sitting day of absence will be increased to 0.2% of the gross annual salary of an ordinary member of Parliament (which amounted to \$270 per day as at 30 June 2011).

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. It provides that the Bill comes into force on 1 October 2012.

Part 1

Preliminary provisions

Clause 3 sets out the purposes of the Bill.

Clause 4 provides an overview of the Bill.

Clause 5 defines certain terms used in the Bill.

Clause 6 provides that the Bill binds the Crown.

Clause 7 deals with how the Remuneration Authority must be constituted when it performs certain functions under the Act. It provides that—

- when the Remuneration Authority performs its functions under *Part 3* (except *clause 22(1)*), which deals with support services for members of Parliament, and under *clause 41(1)*, which deals with determining the travel entitlements of former Prime Ministers, it must be composed of an additional member appointed under *new section 5A* of the Remuneration Authority Act 1977 and no fewer than 2 other members of the Remuneration Authority;
- when it performs its functions under *clause 22(1), 38, or 41(3)*, which relate to determining issues about entitlements, it must be composed of the additional member and 1 other member of the Authority.

New section 5A of the Remuneration Authority Act 1977 (inserted by *clause 57*) requires the additional member appointed to the Remuneration Authority to be a person who has appropriate knowledge, skills, and experience to assist the Authority to perform its functions under *Part 3* and *clauses 38 and 41* and to ensure that the purposes of *Part 3* are achieved.

Clause 7(3) provides that if the additional member appointed under *new section 5A* of the Remuneration Authority Act 1977 is not available at any time that the Remuneration Authority is required to perform its functions under *clause 22(1), 38, or 41(3)*, the chairperson of the Remuneration Authority may nominate another member to act in the additional member's place.

Clause 8 provides for certain provisions of the Remuneration Authority Act 1977 to apply to functions of the Remuneration Authority under the Bill. These relate to meetings of the Authority (*section 8(3) to (7)*), requirements for members and officers of the Authority to maintain secrecy (*section 9(1)*), the ability of any person or organ-

isation to make written submissions to the Authority in relation to the exercise by the Authority of its functions (section 21(1)), the application of certain provisions of the Commissions of Inquiry Act 1908 and the conferral of such other powers as may be necessary for the purpose of the Authority carrying out its functions (section 25(1) and (3)), and the exclusion of members of the Authority from personal liability for anything done in good faith in the pursuance or intended pursuance of the powers and duties of the Authority (section 29(1)).

Part 2

Salaries and allowances of members of Parliament

Clause 9 requires the Remuneration Authority to determine the salaries and allowances payable to members of Parliament. When the Authority determines salaries and allowances under *clause 9* it is constituted in the same way as it is for all other functions it is required to perform under the Remuneration Authority Act 1977 and other enactments; it has 3 members, and 2 members form a quorum (*see* sections 5 and 8 of the Remuneration Authority Act 1977). *Subclause (4)* is a permanent appropriation to provide funding for the salaries and allowances of members of Parliament determined by the Remuneration Authority under *clause 9* and also for the payments made as income under *clause 42* to the surviving spouse or partner or children of a member of Parliament who dies while in office. Permanent appropriations (sometimes referred to as permanent legislative authorities) are authorised by legislation other than an Appropriation Act and continue in effect until revoked by Parliament. The provision of salaries and allowances for members of Parliament through permanent appropriations is for the purpose of supporting the independence of the Remuneration Authority's determination. The existence of a permanent appropriation means that these payments cannot be subject to the parliamentary control that would otherwise apply were they provided through an Appropriation Act.

Clause 10 records that the salaries and allowances under *clause 9* have to be determined under section 12 of the Remuneration Authority Act 1977 and that the sections of that Act apply accordingly.

Sections of that Act that are relevant to the performance of the Authority's function in setting the salaries and allowances include—

- section 16, which requires the Authority to give a copy of the determination to the Speaker, the Prime Minister, and the Leader of the Opposition, and to publish it in the *Gazette*. The section also provides that the determination is a regulation for the purposes of the Acts and Regulations Publication Act 1989 (which has the effect that the determination is published as a statutory regulation) but not for the purposes of the Regulations (Disallowance) Act 1989 (which has the effect that it is not subject to amendment or disallowance by the House of Representatives):
- section 17A, which requires the Authority to consult the Commissioner of Inland Revenue, the Speaker, and the Minister responsible for Ministerial Services before making a determination:
- section 18, which sets out criteria that the Authority must have particular regard to, and criteria that it must take into account, in determining the remuneration of members of Parliament. These criteria include the need for fair relativity with levels of remuneration received elsewhere and the need to be fair to taxpayers and the persons whose remuneration is being determined:
- section 18A, which requires the Authority to take into account adverse economic conditions and allows the Authority to determine the remuneration at a lower rate than it would otherwise have determined:
- section 19, which deals with the frequency with which the Authority must make a determination, including provisions about when a determination may commence and its continuation until superseded by another determination.

Clause 11 re-enacts section 18(1) and (2) of the Civil List Act 1979. The effect of the clause is that the period for which salaries and allowances determined by the Authority are payable to members of Parliament starts on the day after the polling day at the election at which the member is elected (except if the member is returned at an uncontested by-election) and ends on the polling day for the next general election or, if the member leaves Parliament earlier than the

next general election, the day on which the member vacates his or her seat.

Clause 12 re-enacts, with modifications, section 18(3) of the Civil List Act 1979. It applies to members who do not seek re-election at a general election or who stand for re-election but are not re-elected. The clause provides for those persons to be paid a salary for the 3-month period starting on the day after polling day at the election. If the person was an ordinary member of Parliament, the salary is paid at the same rate at which an ordinary member's salary was payable as at polling day. The clause differs from section 18(3) of the Civil List Act 1979 in that *clause 12(3)* clarifies that if the person was a member of the Executive or a Parliamentary Under-Secretary then, for the period starting on the day after polling day and ending on the day that person no longer holds the office (which, under section 6(2)(b) of the Constitution Act 1986, could be up to 28 days), the salary must be paid at the rate that was payable to the holder of that office as at polling day for the election. For the balance of the 3-month period it must be paid at the rate at which an ordinary member of Parliament's salary was payable as at polling day. It also clarifies that if the person was the Speaker or Deputy Speaker then, for the period starting on the day after polling day and ending on the day that the House of Representatives first meets after the general election, the salary must be paid at the rate at which the Speaker or Deputy Speaker's salary was payable as at polling day. For the balance of the 3-month period it is payable at the rate at which an ordinary member of Parliament's salary was payable as at polling day.

Clause 13 deals with the situation where the election of a member of Parliament is questioned in an election petition. It sets out the salaries and allowances that must be paid to a person who loses his or her seat and to the person (if any) who is declared to have been duly elected in the place of that person.

Clause 14 is a modification of section 20 of the Civil List Act 1979. Under that section, an amount of \$10 may be deducted from a member's gross salary for every sitting day in excess of 14 on which the member is absent during a session of Parliament (except where the absence is for specified reasons). Under *clause 14*, an amount may be deducted from a member's gross salary for every sitting day in excess of 9 that a member is absent during a calendar year, other than in accordance with the rules of the House of Representatives. The

amount to be deducted is 0.2% of the gross yearly base salary fixed by the Authority under *clause 9* for a member of Parliament who is not an office holder. As at 30 June 2011, the gross yearly base salary of an ordinary member of Parliament was \$134,800 (*see* Parliamentary Salaries and Allowances Determination 2010). Under *clause 14(2)*, the amount deductible from the gross salary of any member of Parliament who had been absent from the House without the permission of the Speaker on 30 June 2011 (other than in accordance with the rules of the House) for the tenth sitting day in the calendar year beginning on 1 January 2011 would therefore have been \$270.

Clause 15 re-enacts section 21A of the Civil List Act 1979. It provides that a person cannot receive a payment under *Part 2* or *Part 3* in respect of a period of time if that person also receives a salary as a head of mission or a head of post (within the meaning of the Foreign Affairs Act 1988) in respect of the same period.

Part 3

Services for members of Parliament

Clause 16 sets out the purposes of *Part 3* as being to ensure that the entitlements of members of Parliament and Ministers to support services are determined in a way that does a number of specified things, including—

- recognising the need for members of Parliament, the Executive, and parties to be adequately supported while at the same time recognising the need to be fair to taxpayers:
- recognising the need for public understanding of the work undertaken by members and parties and what they need to do that work:
- facilitating effective and efficient delivery of support services:
- promoting transparency:
- maintaining confidence in the integrity of Parliament:
- maintaining the independence of the Remuneration Authority.

Clause 17 specifies criteria that both the Remuneration Authority and the Speaker must have regard to when making determinations and issuing directions under *Part 3*. These are—

- the purposes of *Part 3*:

- the principle that if services provided for members of Parliament include any element of remuneration or other private benefit, that benefit should be taken into account in determining the salaries and allowances of members:
- the need for the entitlements to services to be clearly defined so that decisions about whether a person or party is eligible for an entitlement can easily be made:
- the need for the entitlements to services to be determined in a way that is consistent with the objectives of efficient and effective delivery of those services:
- the need for the entitlements to be simple to administer.

The effect of *subclause (2)* is that if an entitlement to a service under a determination by the Remuneration Authority or a determination made or directions issued by the Speaker results in an element of personal benefit or potential personal benefit for a member of Parliament, a Minister, or their family members, the value of the benefit must be assessed and that value must be taken into account by the Remuneration Authority when it determines the salaries and allowances of the relevant members of Parliament or Ministers under *clause 9*. The Remuneration Authority's determination of salaries and allowances must also include a statement that sets out how it has taken the value into account in fixing the salaries and allowances.

Services determined by Remuneration Authority

Clauses 18 to 23 deal with the services that the Remuneration Authority must determine, and matters relating to its determinations.

Clause 18 requires the Remuneration Authority to determine the following:

- under *clause 18(1)(a)*, entitlements of members of Parliament and qualifying electoral candidates to all travel and accommodation services, except certain specified services. Members of the Executive are entitled, in their capacity as members of Parliament, to the services determined for all members under this provision:
- under *clause 18(1)(b)*, the entitlements of members of the Executive to travel and accommodation services within New Zealand that are in addition or alternative to the entitlements

to travel and accommodation services determined for all members of Parliament under *clause 18(1)(a)*:

- the extent to which any of these services may continue to be provided, for specified purposes, after a member of Parliament vacates his or her seat or a Minister ceases to be a member of the Executive.

The specified travel and accommodation services for members of Parliament that are not determined by the Remuneration Authority are—

- travel and accommodation services for members of Parliament participating in the political exchange programme (*see clause 24* concerning these services):
- international travel and international accommodation services for members of Parliament travelling internationally for parliamentary purposes where the costs of that travel and accommodation are met from the party and member support appropriation for the party of the member travelling and are a charge against the leadership funding allocation (*see clause 24* concerning these services):
- international travel and international accommodation services in respect of the inter-parliamentary relations programme (*see clause 31* concerning these services):
- international travel and international accommodation services for members of the Executive travelling on ministerial business. These services are met by the Department of Internal Affairs, on the basis of approval by Cabinet or the Prime Minister, as business expenses. (Communications services for members of the Executive that are additional or alternative to those that they receive as members of Parliament are also met by that department as business expenses.)

Clause 19 deals with the procedure for making a Remuneration Authority determination. It requires the Remuneration Authority to—

- seek the advice of the Speaker and the Minister responsible for Ministerial Services about the travel and accommodation services for members of Parliament and for Ministers respectively:
- after seeking that advice, prepare a draft determination:

- give members of Parliament and Ministers a reasonable opportunity to be heard on the draft:
- consult the Commissioner of Inland Revenue about the proposed taxation consequences of the determination.

Subclause (2) requires the Authority to have regard to any advice given by the Speaker or the Minister responsible for Ministerial Services, but provides that it is not bound by any advice given.

Clause 20 empowers the Remuneration Authority to require information to be provided that it considers necessary for preparing a determination and also empowers it to obtain advice from persons it considers may assist the Authority in making its determination.

Clause 21 deals with publication of the Remuneration Authority's determinations. It requires the Authority to provide copies of every determination to the Prime Minister, the Speaker, the Leader of the Opposition, the Minister responsible for Ministerial Services, the chief executive of the Department of Internal Affairs, and the General Manager of the Parliamentary Service, and then requires the General Manager to ensure that a copy is made available on Parliament's Internet site as soon as practicable.

Clause 22 provides for the resolution of any issues that may arise concerning how a provision in a determination made by the Remuneration Authority is to be interpreted or applied or is to operate. It requires the Remuneration Authority to make the final determination of any such issues. However, *subclause (2)* empowers the Authority to prescribe procedures for resolving issues, including procedures that must be followed before an issue is referred to the Authority for final determination. These may involve the participation of the General Manager of the Parliamentary Service, in the case of issues about travel and accommodation entitlements of members of Parliament or qualifying electoral candidates, and the participation of the chief executive of the Department of Internal Affairs or the chief executive's nominee, in the case of issues about Ministers' entitlements.

Clause 23(1) is a permanent appropriation to provide funding for the travel and accommodation services for members of Parliament determined by the Remuneration Authority under *clause 18* that are administered by the Parliamentary Service (*see* the note on *clause 9* concerning the reason for permanent appropriations in relation to matters determined by the Remuneration Authority).

Clause 23(2) is a permanent appropriation to provide funding for the services determined by the Remuneration Authority under *clause 18* that are administered by the Department of Internal Affairs.

*Services and funding subject to Speaker's
directions*

Clauses 24 to 27 deal with services that the Speaker must determine and directions that he or she must issue relating to money appropriated in annual Appropriation Acts to support members' and parties' parliamentary operations (**party and member support funding**) and administrative and support services for members of Parliament, parties, and qualifying electoral candidates.

Clause 24 requires the Speaker to issue directions that set out—

- the administrative and support services to be provided to members of Parliament, parties, and qualifying electoral candidates:
- the entitlements of members of Parliament and qualifying electoral candidates to communications services:
- how party and member support funding is allocated and how it must be administered, including what party and member support funding may be used for and what requirements have to be met before a payment may be made against a claim for funding by a member of Parliament, party, or qualifying electoral candidate.

Currently, the directions that the Speaker gives to the Parliamentary Service under section 7(b) of the Parliamentary Service Act 2000 concerning how the Service must administer the payment of funding entitlements for parliamentary purposes include provisions that cover these matters. The effect of the clause, in combination with *clause 17*, is that it becomes a statutory requirement that these matters be set out and that the Speaker have regard to the criteria specified in *clause 17* when issuing directions on these matters:

- the entitlements to travel services of members of Parliament nominated for participation in the political exchange programme.

The effect of *subclauses (2) and (3)* is that, other than travel services for members of Parliament participating in the political exchange

programme or the inter-parliamentary relations programme and international travel and international accommodation services for Ministers, the only travel and accommodation services that may be provided for members of Parliament are—

- those that have been determined by the Remuneration Authority;
- international travel and international accommodation services where a member of Parliament is travelling internationally for parliamentary purposes and the costs of that travel are met from the party and member support funding appropriated for that member's party and are a charge against the leadership funding allocation. These services include travel and accommodation services for a party leader's spouse or partner if that person accompanies the party leader when he or she is travelling internationally for parliamentary purposes.

Clause 25 requires the Speaker, before issuing directions, to take into account any relevant advice given by the Parliamentary Service Commission under the Parliamentary Service Act 2000. It also requires the Speaker to consult the Minister responsible for Ministerial Services, the Remuneration Authority, and the Commissioner of Inland Revenue (about the taxation consequences of the proposed directions).

Clause 26 requires the General Manager of the Parliamentary Service to ensure that a copy of all directions are available on Parliament's Internet site as soon as practicable after they are issued.

Clause 27 provides for the resolution of any issues that may arise concerning how any direction issued by the Speaker under *clause 24* is to be interpreted or applied or is to operate. It requires the Speaker to make the final determination of such issues. However, *subclause (2)* empowers the Speaker to prescribe procedures for resolving issues, including procedures that must be followed before the issue is referred to the Speaker for final determination. These may provide for the participation of the General Manager of the Parliamentary Service.

General provisions

Clauses 28 to 30 deal with general matters and are relevant to determinations made by the Remuneration Authority and directions issued by the Speaker.

Clause 28 provides that the General Manager of the Parliamentary Service may approve the conversion of an entitlement to a service determined by the Remuneration Authority under *clause 18* or by the Speaker under *clause 24* into a service costing a lesser amount, if the General Manager is satisfied that this service is for a parliamentary purpose and represents a fair return for the service provided.

Clause 29 deals with when determinations must be made and directions must be issued and also with the amendment of determinations and directions. It requires the Remuneration Authority to make a determination once in every term of Parliament, in the first 2 years of the term, and to consult the Speaker at the beginning of the term about the proposed timing of its determination for that term. Each determination continues in force until it is superseded by a new determination, although the Authority may amend a determination if it is satisfied that there are particular and special reasons that justify amending the determination, or to remedy defects, correct ambiguities, or deal with new matters that were not dealt with at the time the determination was made. These provisions also apply to the directions that the Speaker is required to issue under *clause 24*. However, under *subclause (6)*, the Speaker has additional powers of amendment to deal with matters arising from changes that occur from year to year in the amounts appropriated for services and for party and member support funding and also to ensure the adequacy of administrative and support services for members of Parliament, parties, and qualifying electoral candidates.

Clause 30 requires quarterly reports to be prepared and published by the General Manager of the Parliamentary Service and the chief executive of the Department of Internal Affairs that set out details of expenses incurred to provide—

- the travel and accommodation services for members of Parliament and Ministers determined by the Remuneration Authority;
- the travel and accommodation services for members of Parliament travelling for parliamentary purposes that are not de-

terminated by the Remuneration Authority but are funded from party and member support funding and within directions issued by the Speaker in accordance with *clause 24(3)*:

- the travel services of members of Parliament nominated for participation in the political exchange programme.

Clauses 31 to 34 deal with the official inter-parliamentary relations programme (which is administered by the Office of the Clerk of the House of Representatives and funded from Vote Office of the Clerk).

Clause 31 requires the Speaker to determine the entitlements to travel and accommodation services in respect of members participating in this programme. Before making a determination, the Speaker must consult the Commissioner of Inland Revenue about the taxation consequences of the proposed determination. *Subclause (3)* provides for a determination to be made or amended at any time.

Clause 32 allows the Speaker's determination to provide for a member of Parliament to convert the member's entitlement to a travel service for certain purposes.

Clause 33 requires the Clerk of the House of Representatives to make a copy of every determination made under *clause 31* available on Parliament's Internet site as soon as practicable after it is made.

Clause 34 requires the Clerk of the House of Representatives to prepare and publish quarterly reports setting out details of the expenses incurred to provide the travel and accommodation services for members participating in the inter-parliamentary relations programme.

Clause 35 relates to international travel, international accommodation, and communications services for Ministers. These are not determined by the Remuneration Authority (*see the note on clause 18*). However, if there is any significant change in the nature or extent of the services provided, the clause requires the Minister for the time being responsible for Ministerial Services to consult the Commissioner of Inland Revenue about the taxation consequences.

Part 4

Entitlements of former members and others and miscellaneous matters

Subpart 1—Entitlements of former members, former Prime Ministers, and others

Former members' entitlements

Clause 36 provides that a person who was a member of Parliament before the 1999 general election may continue to receive the travel entitlements (including the entitlements that apply to that person's spouse or partner) that are set out in *Schedule 2*. The entitlements set out in that schedule are the current travel entitlements of former members of Parliament except that the entitlements to road, rail, and ferry travel are no longer unlimited but are based on the same rebate system as applies for domestic air travel and are capped, in the same way as for domestic air travel, at 12 return trips per year. Also, travel for private business purposes is now expressly excluded in respect of these services.

Clause 36(2) makes it clear that no person who was elected as a member of Parliament for the first time at or after the 1999 general election may receive former member travel entitlements and that, in the case of a person who was elected before the 1999 general election, no service by the member of Parliament after 3 October 2008 is taken into account for the purposes of *Schedule 2*. The effect of the provision is, therefore, that only members of Parliament elected for the first time before the 1999 general election qualify for former member travel entitlements and those persons' travel entitlements are frozen at the level for which they qualified on 3 October 2008 (the end of the 2005 to 2008 parliamentary term).

Clause 37 disqualifies former members and the spouses and partners of former members from receiving the former member travel entitlements in *Schedule 2* if, at the date the travel is taken, they have been convicted of certain crimes or have been reported by the court on the trial of an election petition to have been proved guilty of a corrupt practice and that crime or corrupt practice was committed during specified periods.

Clause 38 provides for any issues that arise about former members' eligibility for travel entitlements, or the interpretation, application,

or operation of *Schedule 2*, to be determined by the Remuneration Authority.

Clause 39 requires a statement setting out specified details relating to the expenses incurred to provide former members' travel entitlements to be included in the annual financial statements of the Parliamentary Service.

Former Prime Ministers' entitlements

Clause 40 provides for the payment of an annuity to a former Prime Minister who held that office for at least 2 years at a yearly rate for each year of service up to and including 5 years of service. The annuity is payable at the rate fixed by the Remuneration Authority and must be paid until the person dies. The clause also provides for the payment of an annuity to the person's surviving spouse or partner. This is payable whether or not the spouse or partner remarries or re-partners. That annuity is payable, at half the rate at which the annuity would have been payable to the former Prime Minister, until the spouse or partner dies. *Subclause (6)* is a permanent appropriation to provide the funding for these annuities.

Clause 41 requires the Remuneration Authority to determine the entitlements to travel services within New Zealand of former Prime Ministers and their spouses or partners. The effect of *subclause (2)* is that any travel entitlements determined in respect of spouses and partners of former Prime Ministers continue after the former Prime Minister dies, regardless of whether the surviving spouse re-partners or remarries. *Subclause (3)* provides for any issues that arise about the Remuneration Authority's determination of entitlements to services under the clause to be determined by the Remuneration Authority. *Subclause (4)* is a permanent appropriation to provide the funding for these services.

Members of Parliament dying in office: Entitlements of family members

Clause 42 provides for the payment of a sum of money as income to a surviving spouse or partner or dependent child of a member of Parliament who dies while in office. This provision re-enacts section 23 of the Civil List Act 1979. *Clause 9(4)* is a permanent appropriation for any payments under *clause 42*.

Resolution of conflicting claims to entitlements

Clause 43 deals with how conflicting claims to the payment of an annuity under *clause 40* or a payment under *clause 42* must be resolved. This provision re-enacts section 27 of the Civil List Act 1979 with modifications so that it extends to the annuity payments under *clause 40* as well as the payments under *clause 42*.

**Subpart 2—Amendments to Parliamentary
Service Act 2000**

Clauses 44 to 55 make consequential amendments to the Parliamentary Service Act 2000.

**Subpart 3—Amendments to Remuneration
Authority Act 1977**

Clauses 56 to 61 make consequential amendments to the Remuneration Authority Act 1977.

**Subpart 4—Repeal, revocations, and
consequential amendments**

Clause 62 repeals the Civil List Act 1979.

Clause 63 revokes determinations made under the Civil List Act 1979.

Clause 64 makes the consequential amendments to other Acts specified in *Schedule 3*.

**Subpart 5—Validations, savings, and
transitional provision**

Clause 65 relates to the validity of certain determinations of salaries and annuities made by the Remuneration Authority under the Civil List Act 1979 before the enactment of the Bill, and the validity of agreements to provide travel services for former Prime Ministers and their spouses and partners made before the enactment of the Bill. *Subclause (2)* requires certain salaries and allowances and annuities to continue to be paid at the rate applicable when the Bill is enacted until superseded by a determination of the Remuneration Authority under the new Act.

Clause 66 provides for the transition from the existing regime for the determination of entitlements to services to the new regime provided for in the Bill. The effect of the provision is that, for a transitional period of 12 months after the commencement of the Bill, all the existing entitlements of members of Parliament, members of the Executive, parties, and qualifying electoral candidates that the Remuneration Authority and the Speaker are required to determine are deemed to be the Authority's and the Speaker's determination of those entitlements. The Remuneration Authority and the Speaker are each required to make a determination of the entitlements within 12 months (which comes into force at the end of the transitional period), but each may amend existing entitlements at any time before making that determination. The same transitional arrangement applies in respect of directions issued by the Speaker in respect of party and member support funding and administrative and support services that must be provided to members of Parliament, parties, and qualifying electoral candidates.

Rt Hon John Key

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(Remuneration and Services)
Bill**

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Part 4

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The Parliament of New Zealand enacts as follows:

1 Title
This Act is the Members of Parliament (Remuneration and Services) Act **2011**.

2 Commencement 5
This Act comes into force on 1 October 2012.

Part 1
Preliminary provisions

3 Purposes
(1) The main purposes of this Act are— 10

- (a) to provide for the remuneration of members of Parliament; and
- (b) to ensure that members of Parliament are provided with the services that they require to enable them to carry out their roles and functions efficiently and effectively; and 15
- (c) to establish a system for determining the services to be provided to members of Parliament that recognises the need for members to be properly supported and the need for confidence in the integrity of Parliament to be maintained. 20

(2) **Subsection (1)** is subject to **section 16** (which sets out specific purposes relating to **Part 3**).

4 Overview of this Act

(1) **Part 1** deals with preliminary matters, including the purposes of the Act, interpretation, the composition of the Remuneration Authority for the purpose of performing certain functions under the Act, and the application of the Act to the Crown. 25

(2) **Part 2** deals with the salaries and allowances of members of Parliament.

(3) **Part 3** deals with support services for members of Parliament, and, in particular,— 30

- (a) services that must be determined by the Remuneration Authority, namely—

-
- (i) all travel and accommodation services for members of Parliament and qualifying electoral candidates (except certain international travel and international accommodation services funded from party and member support funding, travel and accommodation services for members of Parliament nominated to participate in the political exchange programme, and travel and accommodation services for members of Parliament participating in the official inter-parliamentary relations programme); and 5
- (ii) in respect of Ministers, travel and accommodation services within New Zealand that are additional or alternative to the travel and accommodation services determined for members of Parliament; and 15
- (b) directions that must be issued by the Speaker in respect of other services and funding, namely—
- (i) administrative and support services that must be provided to support the parliamentary operations of members of Parliament, parties, and qualifying electoral candidates; and 20
- (ii) communications services for members of Parliament and qualifying electoral candidates; and
- (iii) funding appropriated as party and member support funding for members of Parliament, parties, and qualifying electoral candidates; and 25
- (iv) travel services in respect of members of Parliament participating in the political exchange programme; and 30
- (c) travel and accommodation services that must be determined by the Speaker in respect of members of Parliament participating in the official inter-parliamentary relations programme.
- (4) **Part 4 and Schedules 2 and 3** deal with entitlements of former members of Parliament and former Prime Ministers and with miscellaneous matters, including amendments to other enactments, the repeal of the Civil List Act 1979, and savings and transitional provisions. 35

- (5) This section is only a guide to the general scheme and effect of this Act.

5 Interpretation

In this Act, unless the context otherwise requires,—

allowance has the meaning given to it by section 2 of the Remuneration Authority Act 1977 5

Assistant Speaker means a person who holds the office of Assistant Speaker in accordance with the Standing Orders of the House of Representatives

authorised person has the meaning set out in **section 43** 10

corrupt practice has the meaning set out in **section 37**

declaration day has the meaning set out in **section 37**

dependent child, in relation to a person, means a child—

(a) who is being maintained as a member of the person's family; and 15

(b) in respect of whom the person either is the sole or principal provider of ongoing daily care or shares ongoing daily care substantially equally with another person; and

(c) who is under 18 years of age; and 20

(d) who is not living with another person in a marriage, civil union, or de facto relationship

Deputy Speaker means the Deputy Speaker of the House of Representatives

family member, in relation to a person, means— 25

(a) a spouse or partner of the person:

(b) a child or stepchild of the person, if that child or stepchild is under 18 years of age:

(c) a dependent child of the person

General Manager means the General Manager of the Parliamentary Service 30

Minister includes every member of the Executive Council

partner means a civil union or de facto partner

party means a political party for the time being recognised for parliamentary purposes under the Standing Orders of the House of Representatives 35

polling day means the day appointed in the writ for a general election or a by-election to take place

publicly available, in relation to a document, means that the document is available, at all reasonable times, on the Internet site of Parliament

5

qualifying electoral candidate means a person described in **Schedule 1**

Remuneration Authority means, subject to **sections 7 and 8**, the Remuneration Authority established by section 4(1) of the Remuneration Authority Act 1977

10

sitting day means a sitting day of the House of Representatives

Speaker means the Speaker of the House of Representatives
term of Parliament has the meaning given to it by section 17 of the Constitution Act 1986.

15

6 Act binds the Crown

This Act binds the Crown.

7 Composition of Remuneration Authority for purposes of certain functions under Act

- (1) When performing its functions under **Part 3** (except **section 22(1)**) and **section 41(1)**, the Remuneration Authority must be composed of the additional member of the Remuneration Authority appointed under **section 5A** of the Remuneration Authority Act 1977 and no fewer than 2 other members of the Remuneration Authority, one of whom must be the chairperson or deputy chairperson of the Authority. 25
- (2) When performing its functions under **sections 22(1), 38, and 41(3)**, the Remuneration Authority must be composed of the additional member of the Remuneration Authority appointed under **section 5A** of the Remuneration Authority Act 1977 and the chairperson or deputy chairperson of the Authority. 30
- (3) Despite **subsection (2)**, if the additional member of the Remuneration Authority appointed under **section 5A** of the Remuneration Authority Act 1977 is not available at any time that the Remuneration Authority is required to perform its func- 35

tions under **section 22(1), 38, or 41(3)**, the chairperson of the Remuneration Authority may nominate another member of the Remuneration Authority to act in the place of the additional member at that time, for the purpose of the performance of those functions only. 5

- (4) The chairperson of the Remuneration Authority is responsible for determining which members of the Remuneration Authority, other than the additional member, must perform the functions under the provisions referred to in **subsection (1)**.

8 Application of provisions of Remuneration Authority Act 1977 to functions of Remuneration Authority 10

Sections 8(3) to (7), 9, 21(1), 25(1) and (3), and 29 of the Remuneration Authority Act 1977 apply to the functions of the Remuneration Authority under **Part 3** and **sections 38 and 41** of this Act. 15

Part 2
Salaries and allowances of members of Parliament

9 Remuneration Authority to determine salaries and allowances 20

- (1) The Remuneration Authority must determine the salaries and allowances to be paid to members of Parliament.

- (2) The salaries and allowances may differ according to—
(a) the office that the member of Parliament holds; or
(b) the electorate the member represents; or 25
(c) any other considerations that the Remuneration Authority may determine.

- (3) This section must be read in conjunction with **section 17(2)**.

- (4) Expenses may be incurred, without further appropriation than this section, to meet the salaries and allowances determined under this section and payments under **section 42(2) and (3)**. 30

Compare: 1979 No 33 s 16

10 How salaries and allowances determined

- (1) The salaries and allowances under **section 9** must be determined under section 12 of the Remuneration Authority Act 35

1977, and the relevant sections of that Act apply accordingly (*see*, for example, sections 16 and 17A to 19).

- (2) The General Manager must ensure that a copy of the Remuneration Authority's determination under **section 9** is publicly available as soon as practicable after the General Manager receives it from the Remuneration Authority in accordance with **section 16(1)(a)(iv)** of the Remuneration Authority Act 1977. 5

11 Period for which salaries and allowances of members of Parliament payable 10

- (1) The salary and allowance of each member of Parliament are payable for the period—
- (a) starting on the day after polling day for the election at which the member is elected; and
 - (b) ending on the earlier of the following days: 15
 - (i) polling day for the next general election of members of Parliament:
 - (ii) the day on which the member's seat becomes vacant.
- (2) However, if a member of Parliament is returned at a by-election that is not contested,— 20
- (a) **subsection (1)(a)** does not apply; and
 - (b) the starting day for payment of that member's salary and allowance is the day that the Electoral Commission publicly declares that member to be elected. 25
- (3) This section is subject to **section 12**.
Compare: 1979 No 33 s 18(1), (2)

12 Additional salary payable for 3 months if member does not stand or is not re-elected at general election

- (1) This section applies to a person who— 30
- (a) is a member of Parliament immediately before the dissolution of a Parliament; and
 - (b) is not a candidate at the next general election or is an unsuccessful candidate at that general election.

- (2) A salary is payable to a person to whom this section applies, starting on the day after the day on which the person's salary ceases to be payable under **section 11** and ending—
- (a) on the day 3 months after polling day; or
 - (b) if the person sooner dies, on the date of the death. 5
- (3) The salary is payable at the following rate:
- (a) if the person held office as Speaker or Deputy Speaker on polling day,—
 - (i) for the period starting on the day after polling day and ending on the day of the first meeting of the House of Representatives after the general election, at the rate at which the salary determined under **section 9** was payable to the holder of that office as at polling day; and 10
 - (ii) for the period starting on the day after the first meeting of the House of Representatives and ending on the day 3 months after polling day, at the rate at which the salary determined under **section 9** was payable to a member of Parliament as at polling day: 20
 - (b) if the person was a Minister or a Parliamentary Under-Secretary,—
 - (i) for the period starting on the day after polling day and ending on the day that the person ceases to hold that office, at the rate at which the salary determined under **section 9** was payable to the holder of that office as at polling day; and 25
 - (ii) for the period starting on the day after the person ceases to hold that office and ending on the day 3 months after polling day, at the rate at which the salary determined under **section 9** was payable to a member of Parliament as at polling day: 30
 - (c) if **paragraph (a) or (b)** does not apply to the person, at the rate at which the salary determined under **section 9** was payable to a member of Parliament as at polling day. 35

Compare: 1979 No 33 s 18(3)

13 Salaries and allowances payable in case of election petition

- (1) **Subsections (2) and (3)** apply if there is a trial of an election petition and at the end of the trial the High Court or the Court of Appeal determines—
- (a) that a person elected or returned was not duly elected or returned; or 5
 - (b) that the election at which a person was elected or returned was void.
- (2) If this subsection applies, the person elected or returned must be paid the salary and allowance that he or she would have been entitled to if he or she had been duly elected or returned as a member of Parliament. 10
- (3) The salary and allowance are payable for the period—
- (a) starting on the day after polling day; and
 - (b) ending on the earlier of the following days: 15
 - (i) the day on which the House of Representatives gives directions under section 246(2) of the Electoral Act 1993 for the altering of the return:
 - (ii) the day on which the seat becomes vacant.
- (4) **Subsection (5)** applies if,— 20
- (a) at the end of the trial of an election petition, the High Court or the Court of Appeal determines that a person other than the person who was elected or returned was duly elected; and
 - (b) the return is altered in accordance with section 246(2) of the Electoral Act 1993 to carry out that determination. 25
- (5) If this subsection applies, the person declared elected or returned must be paid the salary and allowance that he or she would have been entitled to if that person's name had been endorsed on the writ or return when it was first returned. 30
- Compare: 1979 No 33 s 19

14 Deductions from payments if member absent from House

- (1) The payment of salaries to members of Parliament under this Act is subject to this section.
- (2) If the number of sitting days in a calendar year that a member of Parliament has been absent from the House of Representatives since the start of that year totals 9 (calculated from the 35

beginning of the first day of the calendar year), then for the tenth and each subsequent sitting day on which the member is absent during the calendar year an amount calculated in accordance with the following formula must be deducted from the member's gross salary: 5

$$a \times b$$

where—

a is 0.2%
b is the gross yearly salary payable, as at the date of the member's absence, to an ordinary member of Parliament who is not an office holder. 10

- (3) The deduction must be made as soon as practicable after the day the member is absent.
- (4) A member is not to be treated as being absent on any day on which the member is absent in accordance with the rules of the House of Representatives. 15

Compare: 1979 No 33 s 20

15 No payments for period that person receives salary as head of post or head of mission

Despite anything in this Part, if a person receives a salary as head of mission or head of post (within the meaning of the Foreign Affairs Act 1988) in respect of any period, that person may not also receive a payment under this Part or **Part 3** in respect of the same period. 20

Compare: 1979 No 33 s 21A 25

**Part 3
Services for members of Parliament**

16 Purposes of Part

The purposes of this Part are to ensure that the entitlements of members of Parliament and Ministers to support services are determined in a way that— 30

- (a) recognises the need for members of Parliament, Ministers, and parties to be adequately supported in order for them to perform their respective roles and functions efficiently and effectively but at the same time recognises the need to be fair to the taxpayer; and 35

- (b) recognises the need for public understanding of the work of those persons and parties and the services they require to enable them to work efficiently and effectively; and
 - (c) facilitates the delivery of support services in an efficient and effective manner; and 5
 - (d) promotes transparency in relation to the allocation and use of public money to provide the support services necessary for members of Parliament, Ministers, and parties to perform their respective roles and functions; and 10
 - (e) maintains confidence in the integrity of Parliament; and
 - (f) maintains the independence of the Remuneration Authority.
- 17 Criteria for Remuneration Authority and Speaker**
- (1) In making a determination or issuing directions under this Part, the Remuneration Authority and the Speaker must have regard to the following criteria: 15
 - (a) the purposes of this Part:
 - (b) the principle that if services provided include an element of remuneration or result in any other private benefit, the value of that benefit should be taken into account by the Remuneration Authority in determining relevant salaries and allowances under **Part 2**: 20
 - (c) the need for the entitlements to services to be— 25
 - (i) clearly defined so that decisions about whether a person or party is eligible for an entitlement can easily be made; and
 - (ii) determined in a way that is consistent with the objectives of efficient and effective delivery of services; and 30
 - (iii) simple to administer.
 - (2) If an entitlement to a service under a determination made by the Remuneration Authority under **section 18**, or under directions issued by the Speaker under **section 24** or a determination made by the Speaker under **section 31**, results in an element of personal benefit or potential personal benefit for members of Parliament, Ministers, or their family members,— 35

- (a) the Remuneration Authority or the Speaker, as the case may be, must—
 - (i) consult the Commissioner of Inland Revenue about the taxation consequences of that entitlement; and 5
 - (ii) assess the value of the benefit; and
 - (b) the value must be taken into account by the Remuneration Authority in determining the salaries and allowances of the relevant members of Parliament or Ministers under **section 9**; and 10
 - (c) the Remuneration Authority must include in its determination of the salaries and allowances under **section 9** a statement that sets out how it has taken that value into account in determining the relevant salaries and allowances. 15
- (3) A determination made by the Remuneration Authority under **section 18** or directions issued by the Speaker under **section 24** must not allow for anything to be provided for or in respect of a member of Parliament, qualifying electoral candidate, family member of those persons, or a party if it would be excluded from funding under section 3B(2)(a) to (c) of the Parliamentary Service Act 2000. 20

Services determined by Remuneration Authority

18 Services to be determined by Remuneration Authority

- (1) The Remuneration Authority must determine— 25
 - (a) the entitlements of members of Parliament and qualifying electoral candidates to all travel and accommodation services (both within New Zealand and internationally), except the travel and accommodation services specified in **subsection (2)**; and 30
 - (b) the entitlements of Ministers to all travel and accommodation services within New Zealand that are additional or alternative to the travel and accommodation services determined for members of Parliament under **paragraph (a)**; and 35
 - (c) the extent (if at all) to which services may continue to be provided under **paragraph (a) or (b)**, or both, after a member of Parliament vacates his or her seat or, in the

- case of a Minister, ceases to be a member of the Executive Council, for 1 or more of the following purposes:
- (i) enabling the member to attend to matters associated with leaving Parliament:
 - (ii) enabling the Minister to attend to matters associated with passing on his or her ministerial responsibilities: 5
 - (iii) ensuring the efficient and effective use of public resources.
- (2) The travel and accommodation services that the Remuneration Authority must determine under **subsection (1)** do not include—
- (a) travel and accommodation services in respect of members of Parliament participating in the political exchange programme (*see* **section 24(1)(e)** in respect of these services); and 15
 - (b) international travel and international accommodation services in respect of members of Parliament travelling for parliamentary purposes where the costs of those travel and accommodation services are met from the party and member support funding appropriated in respect of the party of the member undertaking the travel and are a charge against the leadership funding allocation (*see* **section 24(3)** in respect of these services); and 20
 - (c) travel and accommodation services in respect of the official inter-parliamentary relations programme (*see* **section 31** in respect of these services); and 25
 - (d) international travel and international accommodation services in respect of Ministers. 30
- (3) A determination made 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.
- (4) In this section, **travel and accommodation services** includes— 35
- (a) the payment of money or allowances for those things; and

- (b) provision for any family member of a member of Parliament, Minister, or qualifying electoral candidate for those things; and
- (c) any other means of meeting the travel and accommodation needs or obligations of those persons. 5

19 Procedure for Remuneration Authority’s determinations

- (1) Before making a determination under **section 18**, the Remuneration Authority must—
 - (a) seek advice from the Speaker about the travel and accommodation services to be provided for members of Parliament; and 10
 - (b) seek advice from the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services about the additional or alternative travel and accommodation services within New Zealand to be provided for Ministers; and 15
 - (c) after complying with **paragraphs (a) and (b)**, prepare a draft determination; and
 - (d) give members of Parliament and Ministers a reasonable opportunity to consider the draft determination and be heard on it; and 20
 - (e) consult the Commissioner of Inland Revenue about the taxation consequences of the proposed determination.
- (2) The Authority must have regard to, but is not bound by, any advice given by the Speaker or the Minister under **subsection (1)**. 25

20 Remuneration Authority may request information and independent advice

- The Remuneration Authority may, at any time in the course of preparing a determination under this Part,— 30
- (a) require the Clerk of the House of Representatives, the General Manager, the chief executive of the Department of Internal Affairs, any party, or any member of Parliament to provide information that it considers necessary for the purposes of making its determination: 35

- (b) obtain advice from any professional adviser or other person whose background or experience the Authority considers may assist it in making its determination.

21 Publication of Remuneration Authority's determinations

- (1) The Remuneration Authority must give a copy of every determination made by it under **section 18** to each of the following persons: 5
 - (a) the Prime Minister:
 - (b) the Speaker:
 - (c) the Leader of the Opposition: 10
 - (d) the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services:
 - (e) the chief executive of the Department of Internal Affairs: 15
 - (f) the General Manager.
- (2) The General Manager must ensure that a copy of every determination made under **section 18** is publicly available as soon as practicable after the General Manager receives it.

22 Resolution of issues about Remuneration Authority's determinations

- (1) The Remuneration Authority must determine issues about how any provision of a determination made under **section 18** is to be interpreted or applied or is to operate.
- (2) The Authority may prescribe procedures for resolving issues that arise about a determination made under **section 18**, including— 25
 - (a) procedures that provide for the participation of the General Manager, in respect of issues concerning entitlements of members of Parliament or qualifying electoral candidates; and 30
 - (b) procedures that provide for the participation of the chief executive of the Department of Internal Affairs or the person nominated by the chief executive as his or her representative for the purposes of this section, in respect of issues concerning entitlements of Ministers; and 35

- (c) procedures that are required to be followed before any issue may be referred to the Authority for final determination under **subsection (1)**.
- (3) This section is subject to **section 3E** of the Parliamentary Service Act 2000. 5
Compare: 1977 No 110 s 12(1)(bb)

23 Permanent appropriations for services determined by Remuneration Authority

- (1) Expenses may be incurred, without further appropriation than this subsection, to provide the services determined by the Remuneration Authority **under section 18** that are administered by the Parliamentary Service. 10
- (2) Expenses may be incurred, without further appropriation than this subsection, to provide the services determined by the Remuneration Authority **under section 18** that are administered by the Department of Internal Affairs. 15

Services and funding subject to Speaker's directions

24 Services and funding subject to Speaker's directions

- (1) The Speaker must issue directions that set out— 20
- (a) the administrative and support services that must be provided to members of Parliament, parties, and qualifying electoral candidates to support their parliamentary operations; and
- (b) the entitlements of members of Parliament and qualifying electoral candidates to communications services, including the extent (if at all) to which communications services may continue to be provided after a member of Parliament vacates his or her seat for either or both of the following purposes: 25 30
- (i) enabling a member to attend to matters associated with leaving Parliament:
- (ii) ensuring the efficient and effective use of public resources; and
- (c) how each appropriation made by Appropriation Acts for party and member support funding is allocated; and 35

- (d) how party and member support funding must be administered, including what party and member support funding may be used for and the requirements that must be met before payments may be made against claims to entitlements to that funding; and 5
- (e) the entitlements to travel services of members of Parliament and employees of the Parliamentary Service nominated to participate in the political exchange programme.
- (2) The Speaker's directions must not allow for travel or accommodation services for a member of Parliament to be provided from party and member support funding or to be provided as services under **subsection (1)(a)**, except as provided in **subsection (3)**. 10
- (3) The Speaker's directions may allow for the costs of international travel and international accommodation services for a member of Parliament travelling for parliamentary purposes, and the costs specified in **subsection (4)**, to be met from the party and member support funding appropriated for that member's party as a charge against the leadership funding allocation. 15 20
- (4) The specified costs for the purposes of **subsection (3)** are the costs of international travel and international accommodation services for a spouse or partner of a party leader who accompanies the party leader when he or she is travelling for parliamentary purposes. 25
- 25 Procedure for Speaker's directions**
- Before issuing directions under **section 24**, the Speaker must—
- (a) take into account any relevant advice given by the Parliamentary Service Commission under **section 14(1)** of the Parliamentary Service Act 2000; and 30
- (b) consult the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services; and 35
- (c) consult the Remuneration Authority; and
- (d) consult the Commissioner of Inland Revenue about the taxation consequences of the proposed directions.

- 26 Publication of Speaker’s directions**
The General Manager must ensure that a copy of all directions issued by the Speaker under **section 24** are publicly available as soon as practicable after they are issued.
- 27 Resolution of issues about Speaker’s directions** 5
- (1) The Speaker must determine issues about how any direction issued under **section 24** is to be interpreted or applied or is to operate.
- (2) The Speaker may prescribe procedures for resolving issues that arise about directions issued under **section 24**, including— 10
- (a) procedures that provide for the participation of the General Manager; and
- (b) procedures that are required to be followed before any issue may be referred to the Speaker for final determination. 15
- (3) This section is subject to **section 3E** of the Parliamentary Service Act 2000.
- General provisions relating to services*
- 28 Conversion of entitlements** 20
- (1) This section applies if, in respect of a particular activity,—
- (a) a member of Parliament is entitled to a travel or accommodation service under a determination made by the Remuneration Authority under **section 18(1)(a)**; and
- (b) the cost of doing the activity in a different way is less than the cost of the entitlement under that determination. 25
- (2) If this section applies, the General Manager may, at the request of the member of Parliament, approve the conversion of the entitlement into a right to receive a service costing a lesser amount. 30
- (3) Before granting approval under **subsection (2)**, the General Manager must be satisfied that the service costing the lesser amount is for a parliamentary purpose and that the cost of the service represents a fair value for the service provided. 35

- (4) The General Manager must inform the Remuneration Authority in writing of any conversion relating to a service determined by the Authority under **section 18(1)(a)** that the General Manager approves under this section.
- (5) **Subsections (1) to (4)** apply, with all necessary modifications, to—
- (a) entitlements to travel and accommodation services of Ministers under a determination made by the Remuneration Authority under **section 18(1)(b)** as if, for every reference to the General Manager, there were substituted a reference to the chief executive of the Department of Internal Affairs or the person nominated by the chief executive as his or her representative for the purposes of this section; and
 - (b) entitlements to services under directions issued by the Speaker under **section 24**.
- 29 Frequency of adjustments**
- (1) The Remuneration Authority must make a determination under **section 18** once in each term of Parliament, in the first 2 years of the term. 20
- (2) The Authority must consult the Speaker at the beginning of each term about the proposed timing of its determination for that term.
- (3) A determination continues in force until it is superseded by another determination made in accordance with **subsection (1)**. 25
- (4) The Remuneration Authority may amend a determination at any time while it is in force—
- (a) to remedy a defect or remove an ambiguity; or
 - (b) to deal with a new matter that was not dealt with at the time the determination was made; or
 - (c) if the Authority is satisfied that in all the circumstances there are particular and special reasons that justify amending the determination. 30
- (5) **Subsections (1) to (4)** apply, with all necessary modifications, to directions of the Speaker issued under **section 24**. 35

- (6) However, in addition to the powers of amendment in **subsection (4)**, the Speaker may amend directions issued under **section 24** at any time—
- (a) to deal with matters arising from changes that occur from year to year in the amounts appropriated in Appropriation Acts for services and party and member support funding; or 5
 - (b) to ensure the adequacy of the administrative and support services of members of Parliament, parties, and qualifying electoral candidates. 10
- Compare: 1977 No 110 s 19(3), (4)
- 30 Quarterly reports on travel and accommodation expenses**
- (1) The General Manager must, as soon as practicable after the end of each quarter, prepare and make publicly available a report setting out, in respect of each member of Parliament and each party,— 15
- (a) the total expenses incurred against the appropriation in **section 23(1)** to provide each category of travel service and accommodation service determined by the Remuneration Authority under **section 18**; and 20
 - (b) the total expenses incurred to provide the travel services referred to in **section 24(1)(e)**; and
 - (c) the total expenses incurred to provide the international travel and international accommodation services referred to in **section 24(3)**. 25
- (2) The chief executive of the Department of Internal Affairs must, as soon as practicable after the end of each quarter, prepare and make publicly available a report setting out, in respect of each Minister, the total expenses incurred against the appropriation in **section 23(2)** to provide each category of travel service and accommodation service determined by the Remuneration Authority under **section 18**. 30

*Services in respect of official
inter-parliamentary relations programme*

- 31 Services in respect of official inter-parliamentary relations programme to be determined by Speaker**
- (1) The Speaker must determine the entitlements to travel and accommodation services in respect of members of Parliament participating in the official inter-parliamentary relations programme. 5
- (2) Before making a determination under this section, the Speaker must consult the Commissioner of Inland Revenue about the taxation consequences of the proposed determination. 10
- (3) A determination made under this section may be made or amended at any time.
- (4) In this section and **section 32, travel and accommodation services** includes— 15
- (a) the payment of money for those things; and
 - (b) provision for those things for the spouse or partner of a member of Parliament participating in the programme who accompanies the member; and
 - (c) any other means of meeting the travel and accommodation needs of a member of Parliament in order for the member to be able to travel as a participant in the programme. 20
- 32 Conversion of entitlements**
- A determination made under **section 31** may provide for a member of Parliament participating in the inter-parliamentary relations programme to convert an entitlement under the determination into a travel or accommodation service that costs a lesser amount for any purpose related to the member of Parliament's professional development that the Speaker is satisfied is appropriate in relation to the member's participation in the inter-parliamentary relations programme. 25 30
- 33 Publication of determinations**
- The Clerk of the House of Representatives must ensure that a copy of every determination made under **section 31** is publicly available as soon as practicable after it is made. 35

- 34 Quarterly reports on travel and accommodation expenses**
The Clerk of the House of Representatives must, as soon as practicable after the end of each quarter, prepare and make publicly available a report setting out, in respect of each member of Parliament and each party, details of the expenses incurred to provide the travel and accommodation services determined by the Speaker under **section 31**. 5

Consultation requirement in relation to certain services not under Part

- 35 Minister must consult about taxation consequences of certain services for Ministers** 10
The Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services must consult the Commissioner of Inland Revenue about the taxation consequences of the following services for Ministers whenever there is any significant change in the nature or extent of those services: 15
- (a) international travel and international accommodation services: 20
 - (b) communications services (additional or alternative to the communications services for members of Parliament set out in directions issued by the Speaker under **section 24(1)(b)**). 20

Part 4

Entitlements of former members and others and miscellaneous matters 25

Subpart 1—Entitlements of former members, former Prime Ministers, and others

Former members' entitlements 30

- 36 Travel entitlements of former members of Parliament**
(1) After the commencement of this Act, a person who was a member of Parliament before the 1999 general election, and who is no longer a member of Parliament, may continue to re-

- ceive the travel entitlements (including those that apply to his or her spouse or partner) set out in **Schedule 2**.
- (2) No travel entitlements may be paid to a person, in his or her capacity as a former member,—
- (a) who was elected as a member of Parliament for the first time at or after the 1999 general election; or 5
 - (b) in respect of any period as a member of Parliament after 3 October 2008.
- (3) Nothing in **subsection (2)**—
- (a) prevents a person from receiving any entitlement that continues in respect of a member of Parliament in accordance with a determination of the Remuneration Authority under **section 18(1)(c)**; or 10
 - (b) prevents a person from receiving any entitlement in the capacity of former Prime Minister or spouse or partner of a former Prime Minister in accordance with a determination of the Remuneration Authority under **section 41**. 15
- (4) This section is subject to **section 37**.
- 37 Disqualification from receiving former member travel entitlements** 20
- (1) None of the travel entitlements set out in **Schedule 2** applies to a former member, or the spouse or partner of a former member, if, at the date that the travel is taken,—
- (a) the former member has been convicted of either of the following, committed during any of the periods specified in **subsection (2)**: 25
 - (i) a crime punishable by imprisonment for a term of 2 years or more; or
 - (ii) a corrupt practice; or 30
 - (b) the former member has been reported by the High Court in its report on the trial of an election petition to have been proved guilty of a corrupt practice and that corrupt practice was committed during any of the periods specified in **subsection (2)**. 35
- (2) For the purposes of **subsection (1)**, the specified periods are—
- (a) when the former member was a member of Parliament:

- (b) when the former member was a candidate for initial election or a candidate for re-election, in the period between polling day and declaration day:
- (c) after the former member left Parliament.
- (3) None of the travel entitlements in **Schedule 2** applies to the spouse or partner of a former member if, at the time that the travel is taken,—
- (a) the spouse or partner has been convicted of either of the following, committed after the former member left Parliament: 10
- (i) a crime punishable by imprisonment for a term of 2 years or more; or
- (ii) a corrupt practice; or
- (b) the spouse or partner has been reported by the High Court in its report on the trial of an election petition to have been proved guilty of a corrupt practice and that corrupt practice was committed after the former member left Parliament. 15
- (4) In this section,—
- corrupt practice** means a corrupt practice within the meaning of the Electoral Act 1993 20
- declaration day**, in relation to a person,—
- (a) if the person is a candidate for a seat in the House of Representatives representing an electoral district but not on a party list, means the day on which a person (whether that person or some other person) is declared, under section 179 of the Electoral Act 1993, to represent an electoral district; and 25
- (b) if the person is a candidate whose name is specified in a party list but not a candidate for a seat representing an electoral district, means the day on which the Electoral Commission declares, under section 193(5) of the Electoral Act 1993, candidates on the party list to be elected; and 30
- (c) if the person is both a candidate for a seat representing an electoral district and a candidate whose name is specified in a party list, means the earliest of the following days: 35

- (i) the day on which the person is declared, under section 179 of the Electoral Act 1993, to represent the electoral district:
- (ii) the day on which the person is declared, under section 193(5) of the Electoral Act 1993, elected from the party list: 5
- (iii) the first day on which both the following apply:
 - (A) another candidate has been declared, under section 179 of the Electoral Act 1993, to represent the electoral district; and 10
 - (B) the Electoral Commission has declared, under section 193(5) of the Electoral Act 1993, the candidates entitled to be elected from the party list and the person is not one of those candidates. 15

38 Issues concerning former-member travel entitlements to be determined by Remuneration Authority

If an issue arises about a person's eligibility for travel entitlements under **section 36** or about how any provision of **Schedule 2** is to be interpreted or applied or is to operate, that issue must be determined by the Remuneration Authority. 20

39 Reporting on expenses for travel entitlements of former members of Parliament

A statement setting out, in respect of each former member of Parliament and his or her spouse or partner, the total expenses incurred to provide each type of travel entitlement set out in **Schedule 2** must be included in the annual financial statements of the Parliamentary Service, in addition to the requirements of section 45B(2) of the Public Finance Act 1989. 25 30

Former Prime Ministers' entitlements

40 Annuity of former Prime Minister and spouse or partner of former Prime Minister

- (1) If a person has held the office of Prime Minister for not less than 2 years (whether before or after the commencement of 35

this Act, and whether the office was held for a continuous period or for periods totalling 2 years),—

- (a) that person must be paid an annuity, until he or she dies, at a yearly rate for each year of service up to and including 5 years of service; and 5
- (b) the surviving spouse or partner of that person must be paid an annuity, until he or she dies, at half the yearly rate at which an annuity would have been payable to the person under **paragraph (a)** had that person not died.
- (2) An annuity is payable under **subsection (1)** whether or not— 10
 - (a) the former Prime Minister has died before or after the commencement of this Act; and
 - (b) the surviving spouse or partner remarries or re-partners.
- (3) However, no annuity may be paid to a person under **subsection (1)** in respect of any period during which he or she holds 15
 an office for which a salary (other than the salary of an ordinary member of Parliament) is payable under this Act or the Governor-General Act 2010.
- (4) The yearly rate under **subsection (1)(a)** must be determined 20
 by the Remuneration Authority.
- (5) A determination made 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.
- (6) Expenses may be incurred, without further appropriation than 25
 this section, to provide the annuities under this section.

Compare: 1979 No 33 s 22

41 Travel entitlements of former Prime Ministers

- (1) The Remuneration Authority must determine the entitlements 30
 (if any) to travel services within New Zealand of former Prime Ministers and their spouses or partners.
- (2) An entitlement of a spouse of partner determined under **subsection (1)** continues after the death of the former Prime Minister, regardless of whether the surviving spouse or partner remarries or re-partners. 35
- (3) If an issue arises about how any provision of a determination made under this section is to be interpreted or applied or is to

- operate, that issue must be determined by the Remuneration Authority.
- (4) Expenses may be incurred, without further appropriation than this section, to provide the travel entitlements under this section. 5
- (5) A determination made 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.
- Member of Parliament dying in office:
Entitlements of family members* 10
- 42 Payments to spouse, partner, or dependent children of member of Parliament dying in office**
- (1) This section applies if a member of Parliament dies while in office. 15
- (2) If the member is survived by a spouse or partner, the surviving spouse or partner must be paid as income a sum of money equivalent to the salary payable to an ordinary member of Parliament for the 3-month period starting on the day after the date of death. 20
- (3) If the member is not survived by a spouse or partner, but is survived by 1 or more dependent children, that child is to be paid as income, or those children are to be paid in equal shares as income, a sum of money equal to the sum referred to in **subsection (2)**. 25
- (4) In a case where a sum of money is payable under this section to a person who is under the age of 18, the sum of money may be paid, by direction of the Speaker, to—
- (a) that person; or
- (b) a guardian of, or person caring for, that person to be applied for the maintenance, education, advancement, or benefit of that person. 30
- (5) The receipt of the guardian or person to whom payment is made is a complete discharge for the payment.
- (6) **Section 9(4)** provides an appropriation for any payments under this section. 35
- Compare: 1979 No 33 s 23(1)–(4)

Resolution of conflicting claims to entitlements

43 Conflicting claims

- (1) If more than 1 person claims to be entitled to an annuity under **section 40(1)(b)** or to a payment under **section 42(2) or (3)**, an authorised person must decide— 5
- (a) whether more than 1 person is entitled to the annuity or payment; and
- (b) if so, the proportion of the annuity or payment payable to each person entitled to it.
- (2) In this section, **authorised person** means,— 10
- (a) in relation to an annuity under **section 40(1)(b)**, a person who has been authorised to make decisions under this section by the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services; and 15
- (b) in relation to a payment made under **section 42(2) or (3)**, the General Manager.
- (3) An authorised person must pay, or arrange for the payment of, an annuity or payment referred to in this section in accordance with any decision made by the authorised person under **subsection (1)**. 20
- (4) If more than 1 person is entitled to an annuity or payment, the total annuity or payment paid to the persons entitled to it must not exceed the amount that would have been paid if only 1 person were entitled to it. 25
- (5) If a person who claims to be entitled to an annuity or payment referred to in this section is dissatisfied with a decision made by an authorised person under **subsection (1)**, he or she may appeal against the decision to the High Court.
- (6) The High Court Rules and sections 74 to 78 of the District Courts Act 1947 apply, with all necessary modifications, to an appeal under **subsection (5)** as if it were an appeal under section 72 of that Act against a decision of a District Court. 30
- (7) The provisions of the Judicature Act 1908 relating to appeals to the Court of Appeal against a decision of the High Court apply to an order or a decision of the High Court on an appeal under **subsection (5)**. 35

Compare: 1979 No 33 s 27

Subpart 2—Amendments to Parliamentary
Service Act 2000

- 44 Parliamentary Service Act 2000 amended**
Sections 45 to 55 amend the Parliamentary Service Act 2000. 5
- 45 Interpretation**
Section 3 is amended by inserting the following definitions in their appropriate alphabetical order:
“**qualifying electoral candidate** has the same meaning as in **section 5** of the Members of Parliament (Remuneration and Services) Act **2011** 10
“**Remuneration Authority** has the same meaning as in **section 5** of the Members of Parliament (Remuneration and Services) Act **2011**”.
- 46 Meaning of funding entitlements for parliamentary purposes** 15
- (1) Section 3B(1) is amended by repealing paragraphs (c) to (f) and substituting the following paragraphs:
- “(c) the provision of travel and accommodation services for members of Parliament and qualifying electoral candidates in accordance with a determination made by the Remuneration Authority under **section 18(1)(a) and (c)** of the Members of Parliament (Remuneration and Services) Act **2011**: 20
- “(d) the provision of communications services (other than services including electioneering) in accordance with directions issued by the Speaker under **section 24(1)(b)** of the Members of Parliament (Remuneration and Services) Act **2011**: 25
- “(e) the provision of travel services in accordance with directions issued by the Speaker under **section 24(1)(e)** of the Members of Parliament (Remuneration and Services) Act **2011**: 30
- “(f) the provision of services and resources to qualifying electoral candidates in accordance with directions is- 35

- sued by the Speaker under **section 24** of the Members of Parliament (Remuneration and Services) Act **2011**.”
- (2) Section 3B(2)(d) is amended by—
- (a) omitting “section 20A of the Civil List Act 1979” and substituting “**section 31** of the Members of Parliament (Remuneration and Services) Act **2011**”; and 5
- (b) omitting “travel programme” and substituting “relations programme”.
- 47 New section 3E substituted**
- Section 3E is repealed and the following section substituted: 10
- “3E Interpretation of determinations and directions under Members of Parliament (Remuneration and Services) Act 2011**
- Every determination made by the Remuneration Authority under **section 18** of the Members of Parliament (Remuneration and Services Act) **2011** and all directions issued by the Speaker under **section 24** of that Act must be interpreted consistently with sections 3B and 3C of this Act.” 15
- 48 Purposes of this Act**
- Section 4 is amended by repealing paragraph (d) and substituting the following paragraph: 20
- “(d) to provide for regular and independent reviews of the amounts appropriated in Appropriation Acts for services and funding to support the parliamentary operations of members of Parliament, parties, and qualifying electoral candidates:” 25
- 49 Principal duties of Parliamentary Service**
- Section 7 is amended by repealing paragraph (b) and substituting the following paragraphs: 30
- “(b) to administer the payment of funding entitlements for parliamentary purposes, except those funding entitlements for parliamentary purposes that the Speaker and the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Ser-

- vices agree should not be administered by the Parliamentary Service; and
- “(c) to administer the entitlements of members of the Executive under **Part 3** of the Members of Parliament (Remuneration and Services) Act **2011** that the Speaker and the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services agree should be administered by the Parliamentary Service; and 5
- “(d) to administer the payment of the travel entitlements of former members of Parliament.” 10

50 New section 8 substituted

Section 8 is repealed and the following section substituted:

- “**8 Services and administration of funding in accordance with Members of Parliament (Remuneration and Services) Act 2011, determinations and directions, etc** 15
- “(1) In carrying out its duties under **section 7(a) to (c)**, the Parliamentary Service must act in accordance with—
- “(a) **Part 3** of the Members of Parliament (Remuneration and Services Act) **2011** and the determinations made, directions issued, and procedures prescribed under that Part; and 20
- “(b) directions issued by the Speaker under **subsection (3)** in respect of services to be provided to the House of Representatives. 25
- “(2) In carrying out its duties under **section 7(d)**, the Parliamentary Service must act in accordance with **sections 36 to 39** of the Members of Parliament (Remuneration and Services) Act **2011** and determinations made by the Remuneration Authority under **section 38** of that Act. 30
- “(3) The Speaker must, in each financial year, issue directions to the Parliamentary Service as to the nature of the administrative and support services to be provided to the House of Representatives and the objectives to be achieved by the Service in providing those services. 35
- “(4) The Speaker must take into account any relevant advice and any relevant recommendation of the Parliamentary Service

Commission given under section 14(1) before issuing directions under **subsection (3)**.”

51 Sections 9A to 9D repealed

Sections 9A to 9D are repealed.

52 Principal responsibilities of General Manager

5

Section 11 is amended by adding the following subsections as subsections (2) and (3):

“(2) In addition to the responsibilities in **subsection (1)**, the General Manager must—

“(a) ensure that information is provided in accordance with **section 20** of the Members of Parliament (Remuneration and Services) Act **2011**; and

10

“(b) perform the functions conferred on the General Manager by that Act, and under any procedures prescribed by the Remuneration Authority in accordance with that Act.

15

“(3) The General Manager is responsible to the Remuneration Authority for the matters referred to in **subsection (2)**.”

53 Functions of Parliamentary Service Commission

(1) Section 14 is amended by repealing subsection (1) and substituting the following subsection: 20

“(1) The Parliamentary Service Commission has the following functions:

“(a) to advise the Speaker on the nature of the services to be provided to the House of Representatives, members of Parliament, parties, and qualifying electoral candidates (other than services in respect of members participating in the official inter-parliamentary relations programme): 25

“(b) to advise the Speaker on proposed directions relating to the allocation and administration of funding appropriated in Appropriation Acts to support the parliamentary operations of members of Parliament, parties, and qualifying electoral candidates: 30

- “(c) to nominate members of Parliament for participation in the political exchange programme.”
- (2) Section 14(4) is amended by adding “; or” and also by adding the following paragraph:
- “(c) any matter for which the Clerk of the House of Representatives has responsibility.” 5
- 54 Establishment of committee to review appropriations**
- (1) The heading to section 20 is amended by inserting “**annual**” after “**review**”.
- (2) Section 20 is amended by repealing subsection (1) and substituting the following subsection: 10
- “(1) The Speaker may from time to time, and must at least once during every term of Parliament, establish a review committee of up to 3 persons to review the amounts of money appropriated in Appropriation Acts for the following purposes: 15
- “(a) administrative and support services provided to support the parliamentary operations of members of Parliament, parties, and qualifying electoral candidates:
- “(b) communications services provided to members of Parliament and qualifying electoral candidates: 20
- “(c) party and member support funding.”
- 55 Work of review committee**
- Section 21 is amended by repealing subsection (1) and substituting the following subsection:
- “(1) In carrying out its work, the review committee must consider— 25
- “(a) whether the amounts of money appropriated are being used efficiently; and
- “(b) whether the amounts of money appropriated are adequate to enable members of Parliament, parties, and qualifying electoral candidates to effectively perform their respective functions; and 30
- “(c) the need for fiscal responsibility.”

Subpart 3—Amendments to Remuneration
Authority Act 1977

- 56 Remuneration Authority Act 1977 amended**
Sections 57 to 61 amend the Remuneration Authority Act 1977. 5
- 57 New section 5A inserted**
The following section is inserted after section 5:
- “5A Additional member of Authority**
- “(1) The Governor-General must, by Order in Council, appoint a person to be an additional member of the Authority. 10
- “(2) The additional member must be appointed only in relation to the functions conferred on the Authority by **Part 3** and **sections 38 and 41** of the Members of Parliament (Remuneration and Services) Act **2011**.
- “(3) The person appointed as the additional member must be a person who has the appropriate knowledge, skills, and experience to assist the Authority to— 15
- “(a) perform its functions under **Part 3** of the Members of Parliament (Remuneration and Services) Act **2011** and ensure that the purposes of that Part are achieved; and 20
- “(b) perform its functions under **sections 38 and 41** of that Act.
- “(4) The additional member must be appointed for a term not exceeding 3 years, but may be reappointed.
- “(5) The additional member has the same functions, duties, and powers as a member of the Authority appointed under section 5 of this Act, for the purposes only of the functions in relation to which the additional member is appointed. 25
- “(6) Subject to **subsection (5)**, and unless the context otherwise requires, a reference in this Act or in any other Act to a member of the Authority must be construed as including a reference to the additional member.” 30
- 58 Functions of Authority**
Section 12(1)(a)(i) is amended by omitting “Civil List Act 1979” and substituting “Members of Parliament (Remuneration and Services) Act **2011**”. 35

59 Publication of determinations fixing Parliamentary salary and allowances

- (1) Section 16(1)(a)(iii) is amended by omitting “; and” and substituting “:”.
- (2) Section 16(1)(a) is amended by adding the following subparagraph: 5
- “(iv) the General Manager of the Parliamentary Service; and”.

60 Obligation to consult before making determinations about Parliamentary salaries and allowances 10

Section 17A is amended by repealing paragraphs (a) and (b) and substituting the following paragraphs:

- “(a) consult the Speaker of the House of Representatives and the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services about the services for which they have jurisdiction, including, for the purposes of **section 17(2)** of the Members of Parliament (Remuneration and Services) Act **2011**, about— 15
- “(i) whether any element of personal benefit or potential personal benefit for members of Parliament, Ministers, or their family members arises under an entitlement to a service; and 20
- “(ii) in the case of any such benefit arising under directions issued by the Speaker under **section 24** of that Act or under a determination made by the Speaker under **section 31** of that Act, the value of any such benefit assessed by the Speaker; and 25
- “(b) consult the Commissioner of Inland Revenue— 30
- “(i) about the taxation consequences of the Authority’s proposed determination; and
- “(ii) as required under **section 17(2)(a)** of the Members of Parliament (Remuneration and Services Act **2011**).”

- 61 Remuneration of existing holder not to be reduced**
Section 24(2) is amended by adding “or **section 17 or 18** of the Members of Parliament (Remuneration and Services) Act **2011**.”
- 5
- Subpart 4—Repeal, revocations, and
consequential amendments
- 62 Civil List Act 1979 repealed**
The Civil List Act 1979 (1979 No 33) is repealed.
- 63 Determinations revoked**
The following determinations are revoked: 10
- (a) Parliamentary (Official Inter-Parliamentary Travel Programme) Travel and Accommodation Determination 2007 (SR 2007/117):
 - (b) Parliamentary Travel, Accommodation, Attendance, and Communications Services Determination (No 3) 2010 (SR 2010/491): 15
 - (c) Executive Travel, Accommodation, Attendance, and Communications Services Determination (No 2) 2009 (SR 2009/323).
- 64 Consequential amendments to other enactments** 20
The Acts specified in **Schedule 3** are amended in the manner set out in that schedule.
- Subpart 5—Validations, savings, and
transitional provision
- 65 Validations and savings concerning salaries and allowances of members of Parliament and annuities and travel services for former Prime Ministers** 25
- (1) Nothing in this Act affects the validity of—
 - (a) a determination made by the Remuneration Authority under section 16 or 22 of the Civil List Act 1979; or 30
 - (b) an agreement made before the commencement of this Act for a former Prime Minister and his or her spouse or partner or surviving spouse or partner to be provided with specified travel services.

- (2) Despite anything in this Act,—
- (a) every salary and allowance in respect of which a determination by the Remuneration Authority has been made under section 16 of the Civil List Act 1979 must continue to be paid at the rate applicable at the commencement of this Act until the determination relating to that salary or allowance has been superseded by a determination of the Remuneration Authority under **section 9** of this Act; and 5
- (b) every annuity in respect of which a determination by the Remuneration Authority has been made under section 22 of the Civil List Act 1979 must continue to be paid at the rate applicable at the commencement of this Act until the determination relating to that annuity has been superseded by a determination of the Remuneration Authority under **section 40** of this Act. 10 15
- 66 Transitional provision concerning services entitlements**
- (1) **Subsections (2) to (4)** apply for the transitional period starting on 1 October 2012 and ending on the close of 30 September 2013. 20
- (2) The entitlements of members of Parliament, Ministers, and qualifying electoral candidates to travel and accommodation services (within the meaning of **section 18**) set out in the following documents are deemed to have been determined by the Remuneration Authority, in accordance with **section 18**, to be the entitlements of those persons: 25
- (a) the document entitled “Directions by the Speaker of the House of Representatives (No 2) 2010” (the **(No 2) 2010 directions document**) incorporated by reference in the Parliamentary Travel, Accommodation, Attendance, and Communications Services Determination (No 3) 2010: 30
- (b) the document entitled “Travel, Accommodation, and Communications Services Available to Members of the Executive” incorporated by reference in the Executive Travel, Accommodation, Attendance and Communications Services Determination (No 2) 2009. 35

- (3) The directions of the Speaker set out in the (No 2) 2010 directions document relating to the administrative and support services, communications services, and funding and referred to in **section 24** are deemed to be directions of the Speaker issued in accordance with that section. 5
- (4) The entitlements of members of Parliament participating in the official inter-parliamentary relations programme set out in the document entitled “Specification for Travel, Accommodation, and Related Services Available to Members of Parliament Participating in the Official Inter-Parliamentary Travel Programme” incorporated by reference in the Parliamentary (Official Inter-Parliamentary Travel Programme) Travel and Accommodation Determination 2007 are deemed to have been determined by the Speaker, in accordance with **section 31**, to be the entitlements of those persons. 10 15
- (5) Despite **section 29**,—
- (a) the Remuneration Authority must, before the end of the transitional period, make a determination under **section 18** that comes into force at the end of the transitional period; and 20
- (b) the Authority may make a determination amending any entitlement referred to in **subsection (2)** at any time before it makes a determination in accordance with **paragraph (a)**; and
- (c) the Speaker must, before the end of the transitional period, issue directions under **section 24** and make a determination under **section 31** that come into force at the end of the transitional period; and 25
- (d) the Speaker may issue directions amending any directions referred to in **subsection (3)**, or make a determination amending any entitlement referred to in **subsection (4)**, at any time before the Speaker issues directions or, as the case may be, makes a determination in accordance with **paragraph (c)**. 30
-

Schedule 1**s 5****Qualifying electoral candidates**

The persons in the first column, at the times specified in the second column, are **qualifying electoral candidates**.

Person	Time
1 A person who vacates the office of member of Parliament under section 54(1)(b) or (2)(b) of the Electoral Act 1993 at the close of a polling day and is a candidate in the general election concerned.	Between the close of the polling day and,— (a) if the person is a candidate for a seat in the House of Representatives representing an electoral district, the day on which a person (whether that person or some other person) is, under section 179 of the Electoral Act 1993, declared elected to represent the district; or (b) if the person's name is specified in a party list, the day on which, under section 193(5) of the Electoral Act 1993, the Electoral Commission declares candidates to be elected in the election.
2 A candidate at a by-election who is the former member of Parliament and whose vacation of the seat concerned caused the by-election to be required.	Between the close of the polling day and the day on which a person (whether that person or some other person) is, under section 179 of the Electoral Act 1993, declared elected to represent the district concerned.
3 A candidate at a general election for a seat in the House of Representatives representing an electoral district who did not vacate the office of member of Parliament under section 54(1)(b) or (2)(b) of the Electoral Act 1993 at the close of the polling day for the election, if the preliminary results made available by the Electoral Commission on polling day or the day after indicate that— (a) he or she received more votes than any other candidate for the seat; or	Between the close of polling day and the day on which a person (whether that person or some other person) is, under section 179 of the Electoral Act 1993, declared elected to represent the district.

Person	Time
<p>(b) he or she is one of 2 or more candidates who received a number of votes that is equal, and greater than the number of votes received by any other candidate for the seat.</p>	
<p>4 A candidate at a general election whose name is specified in a party list and who did not vacate the office of member of Parliament under section 54(1)(b) or (2)(b) of the Electoral Act 1993 at the close of the polling day for the election, if the preliminary results made available by the Electoral Commission on polling day or the day after indicate that the Electoral Commission would, under section 193(5) of the Electoral Act 1993, declare him or her to be elected in the election if the results of the official count were the same as those preliminary results.</p>	<p>Between the close of polling day and the day on which, under section 193(5) of the Electoral Act 1993, the Electoral Commission declares candidates to be elected in the election.</p>
<p>5 A candidate at a by-election who is neither a member of Parliament nor the former member of Parliament whose vacation of the seat concerned caused the by-election to be required, if the preliminary results made available by the Electoral Commission on polling day or the day after indicate that—</p> <p>(a) he or she received more votes than any other candidate for the seat; or</p> <p>(b) he or she is one of 2 or more candidates who received a number of votes that is equal, and greater than the number of votes received by any other candidate for the seat.</p>	<p>Between the close of polling day and the day on which a person (whether that person or some other person) is, under section 179 of the Electoral Act 1993, declared elected to represent the district.</p>

Schedule 2**ss 36-39****Travel entitlements of former members of
Parliament**

Former members' air travel entitlements

- 1 Rebates for travel on scheduled air services payable to former members who were members before 1999 general election** 5
- (1) A former member of Parliament who was a member before the 1999 general election is entitled to a rebate for travel on scheduled air services undertaken by the former member in accordance with the following rules: 10
- (a) a rebate is payable in respect of expenditure incurred by the former member personally, and a rebate is not payable where a member's fare is paid from public funds or from any other source: 15
- (b) no rebate is payable in respect of any travel undertaken by the former member for private business purposes:
- (c) where a journey is undertaken for a mixture of personal and private business purposes, the rebate is payable in respect of any portion of the fare that is an additional cost to that which would have been incurred had only the business part of the journey been undertaken: 20
- (d) the amount of rebate to which a former member is entitled is the appropriate percentage of the fare that applies to that former member as calculated in accordance with the table below: 25
- (e) the fare—
- (i) includes any tax and service fees payable in respect of the travel; and
- (ii) is calculated on the economy-class or discounted fare for the travel used; and 30
- (iii) does not include any amounts paid in respect of cancellation fees or accommodation:
- (f) if the former member travels business or executive class, the rebate is only on the equivalent economy-class fare for the journey undertaken. 35

Table of rebates applicable

Number of complete Parliaments through which former member served	Percentage of fare payable (%)
Less than 2	Nil
2	If former member has served as a Speaker or as a Minister (not including Parliamentary Under-Secretary): 50 Other cases: nil
2 (and part of a third)	If former member has served as a Speaker or as a Minister (not including Parliamentary Under-Secretary): 50 Other cases: nil
3	60
3 (and part of a fourth)	60
4	75
4 (and part of a fifth)	75
5 or more	90

(2) **Subclause (1)** is subject to **clauses 2 and 3**.

2 Limitations on rebates for former members' domestic air travel

- (1) A former member is entitled to a rebate for 12 return air trips between any 2 points within New Zealand in each year. 5
- (2) For the purpose of **subclause (1)**, a rebate for a one-way trip counts as one-half of a return trip.
- (3) Rebates are paid for open tickets only if the departure date for the first part of the trip is determined at the time the ticket is purchased and it is the date of the return flight that is left open. 10
- (4) Rebates are paid for travel in respect of the relevant year.

3 Limitations on rebates for former members' international air travel

- (1) The total amount paid to a former member by way of rebates for international air travel in each year must not exceed the amount of rebate to which the former member would have 15

- been entitled if he or she had flown between Auckland and London using a business-class return air fare as at 1 July in the relevant year.
- (2) Rebates are paid for open tickets only if the departure date for the first part of the trip is determined at the time the ticket is purchased and it is the date of the return flight that is left open. 5
- (3) Rebates are paid for travel in respect of the relevant year.
- Former members' rail, road, and ferry travel entitlements
- 4 Rebates for travel on rail, road, and ferry services in New Zealand** 10
- (1) A former member is entitled to a rebate on the following scheduled travel services within New Zealand in accordance with the same rules and limitations as set out in **clauses 1 and 2** in respect of scheduled air services: 15
- (a) rail travel; and
- (b) road travel; and
- (c) inter-island travel on inter-island ferries.
- (2) The entitlement in **subclause (1)** does not extend to— 20
- (a) suburban rail travel; or
- (b) suburban road travel; or
- (c) the carriage of a motor vehicle, or the use of a cabin, on an inter-island ferry.
- Travel entitlements of former members' spouses or partners 25
- 5 Application of clauses 6 and 7**
- (1) **Clauses 6 and 7** apply to a spouse or partner of a former member who—
- (a) was the spouse or partner of the former member at the time the former member ceased to be a member of Parliament; and 30
- (b) is the spouse or partner of the former member at the time of claiming an entitlement under **clause 6 or 7**.
- (2) The entitlements of a spouse or partner of a former member under **clauses 6 and 7** continue after the death of the former member, whether or not the surviving spouse or partner remar- 35

ries or re-partners, provided that the spouse or partner was still the spouse or partner of the former member at the date of his or her death.

- (3) For the purposes of **clauses 6 and 7, former member** includes a member of Parliament who dies in office, and who becomes a former member on the date of his or her death. 5

6 Domestic and international air travel: spouse or partner entitlement

A spouse or partner to whom this clause applies is entitled to a rebate for travel on scheduled domestic and international air services at the same rate and subject to the same conditions as the former member. 10

7 Rail, road, and ferry travel: spouse or partner entitlement

A spouse or partner to whom this clause applies is entitled to the same rail, road, and ferry travel entitlements as the former member. 15

Schedule 3**s 64****Consequential amendments to other
enactments****Electoral Act 1993 (1993 No 87)**

Paragraph (d)(i) of the definition of **public servant** in section 3(1): 5
omit “Civil List Act 1979” and substitute “Members of Parliament
(Remuneration and Services) Act **2011**”.

Finance Act 1988 (1988 No 107)

Section 6: repeal.

Goods and Services Tax Act 1985 (1985 No 141)

10

Section 6(3)(c)(i): omit “Civil List Act 1979” and substitute “Mem-
bers of Parliament (Remuneration and Services) Act **2011**”.

Government Superannuation Fund Act 1956 (1956 No 47)

Definition of **member** in section 82(1): omit “section 16 of the Civil
List Act 1979” and substitute “**section 9** of the Members of Parlia- 15
ment (Remuneration and Services) Act **2011**”.

Definition of **ordinary member** in section 82(1): omit “Civil List
Act 1979” and substitute “Members of Parliament (Remuneration
and Services) Act **2011**”.

Definition of **salary** in section 82(1): omit “Civil List Act 1979” and 20
substitute “Members of Parliament (Remuneration and Services) Act
2011”.

Income Tax Act 2007 (2007 No 97)

Section CW 31: repeal and substitute:

“**CW 31 Services for members and former members of** 25
Parliament

To the extent that in the absence of this section the following
amounts would be assessable income, they are exempt income:

“(a) travel, accommodation, and communications services,
if they are— 30

“(i) paid under **section 18, 24, or 31** of the Mem-
bers of Parliament (Remuneration and Services)
Act **2011**; and

Income Tax Act 2007 (2007 No 97)—*continued*

- “(ii) provided to a member of Parliament (including in his or her capacity as a member of the Executive), a qualifying electoral candidate, or a family member of one of those persons:
- “(b) the travel entitlements of a former member of Parliament (including the travel entitlements that apply in respect of his or her spouse or partner) if they are paid under **section 36 or 41** of the Members of Parliament (Remuneration and Services) Act **2011**: 5
- “(c) international travel, international accommodation, and communications services provided to a member of the Executive. 10
- “Defined in this Act: qualifying electoral candidate”.
- Section CX 12: repeal and substitute:
- “**CX 12 Services for members and former members of Parliament** 15
- “*When fringe benefit arises*
- “(1) A fringe benefit arises when travel, accommodation, and communications services are exempt income under **section CW 31** (services for members and former members of Parliament). 20
- “*Relationship with sections CX 5 and CX 28*
- “(2) This section overrides sections CX 5 (relationship with exempt income) and CX 28 (accommodation).”
- Section YA 1: insert in its appropriate alphabetical order: 25
- “**qualifying electoral candidate** means a qualifying electoral candidate as defined in **section 5** of the Members of Parliament (Remuneration and Services) Act **2011**”.