

**Reprint  
as at 30 June 2013**



**Parliamentary Salaries and  
Allowances Determination 2012**

(SR 2012/422)

Parliamentary Salaries and Allowances Determination 2012: expired, on 30 June 2013, by clause 3.

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

**Contents**

	Page
1 Title	2
2 Commencement	2
3 Expiry	2
4 Interpretation	2
5 Salaries	2
6 Allowance	2
7 Revocation	3
<b>Schedule 1</b>	<b>3</b>
<b>Salaries payable under section 16 of Civil List Act 1979</b>	
<b>Schedule 2</b>	<b>5</b>
<b>Allowance payable under section 16 of Civil List Act 1979</b>	

---

**Note**

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

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

## Determination

### 1 Title

This determination is the Parliamentary Salaries and Allowances Determination 2012.

### 2 Commencement

This determination is deemed to have come into force on 1 July 2012.

### 3 Expiry

This determination expires on 30 June 2013.

### 4 Interpretation

In this determination,—

**party** means a parliamentary political party whose members in the House of Representatives include at least 1 member elected as a constituency or list candidate for that party

**select committee** means a committee that is established by, or in accordance with,—

- (a) Standing Order 181(1) or (2) of the Standing Orders of the House of Representatives (with effect on 21 October 2011); or
- (b) the corresponding provision of those Standing Orders (with effect on an earlier or a later date).

### 5 Salaries

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

### 6 Allowance

- (1) The allowance payable under section 16 of the Civil List Act 1979 is set out in Schedule 2.

- (2) The allowance is paid to the recipient for the purpose of reimbursing the recipient for expenses that arise from that recipient's official and parliamentary duties, and that are not otherwise covered by the determinations made under section 20A of the Civil List Act 1979.

**7 Revocation**

The Parliamentary Salaries and Allowances Determination 2011 (SR 2011/410) is revoked.

---

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

<b>Office</b>	<b>Yearly rate of salary payable on and after 1 July 2012 (\$)</b>
<i>Members of the Executive</i>	
Prime Minister	419,300
Deputy Prime Minister	297,400
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet	262,700
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios, but who is not a member of Cabinet	221,400
Each other member of the Executive Council	192,700
Each Parliamentary Under-Secretary	171,800
<i>Officers of the House of Representatives</i>	
Speaker of the House of Representatives	262,700
Deputy Speaker	185,300
Each Assistant Speaker	158,700
<i>Leader of the Opposition</i>	
Leader of the Opposition	262,700
<i>Other party leaders</i>	
Each member of Parliament who is the leader of a party—	

<b>Office</b>	<b>Yearly rate of salary payable on and after 1 July 2012 (\$)</b>
Base salary	158,700
<i>plus</i>	
For each additional member of the party in the House of Representatives up to a maximum of 5	1,890
<i>plus</i>	
For each additional member of the party in the House of Representatives over 5 up to a maximum of 23	1,260
<i>plus</i>	
For each additional member of the party in the House of Representatives over 23	630
<i>Deputy leaders</i>	
Each member of Parliament who is the deputy leader of a party whose members in the House of Representatives number not less than 25—	
Base salary	182,800
<i>plus</i>	
For each additional member of the party in the House of Representatives over 25 up to a maximum of 35	630
<i>plus</i>	
For each additional member of the party in the House of Representatives over 35 up to a maximum of 45	360
<i>Whips</i>	
In respect of each party whose members in the House of Representatives number not less than 4—	
One Whip	
Base salary	158,700
<i>plus</i>	
For each member of the party in the House of Representatives over 6 up to a maximum of 24	1,260
<i>plus</i>	
For each member of the party in the House of Representatives over 24 up to a maximum of 35	630

<b>Office</b>	<b>Yearly rate of salary payable on and after 1 July 2012 (\$)</b>
<i>plus</i>	
For each member of the party in the House of Representatives over 35 up to a maximum of 45	360
Senior Government Whip	
If a Whip referred to in one of the provisions under the heading Whips is also the Senior Government Whip an additional sum is added	4,510
In respect of each party whose members in the House of Representatives number not less than 25—	
One Junior Whip (separate from, and additional to, that party's One Whip)	158,700
In respect of each party whose members in the House of Representatives number not less than 45—	
One Additional Junior Whip	158,700
<i>Chairpersons of select committees</i>	
Each member of Parliament who is the chairperson of a select committee	158,700
<i>Deputy chairpersons of select committees</i>	
Each member of Parliament who is the deputy chairperson of a select committee	149,100
<i>Other members of Parliament</i>	
Each other member of Parliament	144,600

---

**Schedule 2**

cl 6(1)

**Allowance payable under section 16 of  
Civil List Act 1979**

<b>Office</b>	<b>Yearly rate of expenses allowance payable on and after 1 July 2012 (\$)</b>
Prime Minister	21,600
Speaker	20,200
Each other member of Parliament	16,200

Dated at Wellington this 18th day of December 2012.

John Errington,  
Chairman.

A Foulkes,  
Member.

D Morcom,  
Member.

---

### **Explanatory memorandum**

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

#### **1 Background**

- 1.1 This memorandum explains not only the general effect of this determination, but also—
  - (a) the extent and limitations of the role of the Remuneration Authority (the **Authority**); and
  - (b) the considerations that have driven the Authority in coming to this determination.
- 1.2 The Authority is required to have regard to the following when setting parliamentary remuneration and allowances:
  - (a) the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere; and
  - (b) the need to be fair both—
    - (i) to the persons or group of persons whose remuneration is being determined; and
    - (ii) to the taxpayer or ratepayer; and
  - (c) the need to recruit and retain competent persons.
- 1.3 In addition the Authority must take into account—
  - (a) the requirements of the position concerned; and

- (b) the conditions of service enjoyed by the persons whose remuneration is being determined and those enjoyed by the persons or members of the group of persons whose remuneration and conditions of employment are, in the opinion of the Authority, comparable with those of the persons or members of the group; and
  - (c) any prevailing adverse economic conditions, based on evidence from an authoritative source; and may determine the remuneration at a rate lower than it would otherwise have determined.
- 1.4 Since 2001/02 the Authority has taken a remuneration package approach which takes account of the market rate for employees undertaking jobs with similar complexity and responsibility to identify a package value for ordinary members of Parliament. This figure reflects the total package of benefits members could expect to receive given the criteria in place at the time. Part of that package is the personal benefit value of the travel discount entitlement and part is the superannuation subsidy.
- 1.5 Each year the Authority has reviewed the appropriate total package value to ensure that the overall remuneration package available to ordinary members was aligned to the appropriate external groups. The Authority also reviews the value of the personal benefit of the travel discount entitlements, based on the actual usage of the entitlements.
- 1.6 The salary, and the value of the superannuation subsidy available to ordinary members, is then set by having regard to the total package value and the assessed personal benefit value of the travel discount entitlement.
- 1.7 The same approach is not taken in setting the salary rates for members with additional responsibilities, such as Ministers, the Speaker, the Prime Minister, and the Party Leaders. These rates are set using previous relativities within Parliament and reflect a measure of assessment of a fair remuneration for those members, taking into account the element of “public service” associated with those positions and the honour that many people feel when achieving higher status within Parliament. Had a form of external wage relativity been ap-

plied, the Authority recognises that the increases promulgated would have been significant and politically untenable.

- 1.8 When setting salary rates for members with additional responsibilities, the Authority recognises that the remuneration package for those members includes the personal benefit value of the travel discount entitlement as well as the superannuation subsidy. For this reason, the Authority, which pays close attention to benefits provided to all members by the determination issued by the Speaker, has merely kept a weather eye on the changes that from time to time occur in the determinations issued by the Minister Responsible for Ministerial Services. Although the value of ministerial allowances and reimbursement may vary from time to time, the packages that Ministers enjoy do not match either public or private sector remuneration for similarly responsible positions. To the extent that salary levels for this group are built on salaries for ordinary members, their salaries are discounted by the amount of the personal benefit of the travel discount entitlements.

## **2 Travel discount entitlement adjustment**

- 2.1 Travel entitlements available to members are set by the Speaker and cover—
- members' domestic air travel; and
  - members' spouses' domestic air travel; and
  - members' dependants' domestic air travel.
- 2.2 Assessing the value of the travel discount entitlement has had regard to—
- the proportion of personal benefit assessed for each of—
    - members' domestic travel; and
    - members' spouses' domestic travel; and
    - members' dependants' domestic travel; and
    - the actual costs of the various travel entitlements in each year; and
    - the average cost per member of the travel entitlements (even though members do not get equal benefits from the entitlements); and



- some averaging of per member costs over time to recognise that costs can and do fluctuate from year to year.
- 2.3 It is recognised that some members get a disproportionate share of the value of the entitlements (by having more usage or by having a greater proportion of travel costs reimbursed) whereas all members are paying equally (by having the same reduction in salary). The Authority recognises this but is of the view that there is no other way of offsetting the personal cost of the entitlements whilst meeting the requirements of our Act.
- 2.4 The actual costs of the travel discount entitlements have reduced in recent years and the Speaker formally withdrew the members' and spouses' international air travel entitlement with effect from 1 January 2011. Last year, after taking into account the reduced usage in the 2010/11 year and the withdrawal of the international entitlement, the Authority adjusted each member's salary by \$5,000.
- 2.5 It is important to understand that, because the salary of every member is adjusted to take account of the personal benefit of the travel discount entitlements available to all members, the members themselves are meeting the cost of those personal benefits by, in effect, taking a salary cut to pay for the benefits. The cost is also being met by members with additional responsibilities by virtue of the process the Authority uses to set the salaries for those members.
- 2.6 It therefore follows that, if the value of the personal benefit of those entitlements decreases, there should be a compensating adjustment to salaries. If no compensating adjustment were made then members would be paying for a benefit which they are not getting.
- 2.7 A similar situation could happen in the private sector if, for example, a manager had the personal use of a car as part of their employment package. The value of the private use would be reflected by the manager having a lower salary for a given overall package value. If the value of the personal use of a car reduced, then the manager's salary would be increased so that their overall package value remained the same.

- 2.8 This year, after taking into account further reductions in the actual cost of the travel entitlements and allowing for fluctuations in usage, the Authority has made a small reduction to the assessed value of the travel discount entitlements, which has been taken into account when setting salary movements.

### **3 General salary adjustment**

- 3.1 In recent years, members' remuneration packages have not kept pace with increases in the cost of living, nor with general wage movements.
- 3.2 This has partly been due to Parliament requesting (and the Authority acceding to that request) to have no increase for the 2009/10 year, and partly due to the Authority taking into account prevailing adverse economic conditions.
- 3.3 Since fiscal year 2009 general salaries and wages have increased by 5.6% and the Consumers Price Index has increased by 8.0%. Parliamentary salaries (excluding the \$2,000 and \$5,000 increases in 2010 and 2011 to compensate for the reduction in value of the travel discount entitlements) have increased by only 2.9%.
- 3.4 Taking into account the prevailing adverse economic conditions and the small reduction in assessed value of the travel discount entitlement, the Authority has decided to apply a general increase this year of around 1.9%.
- 3.5 This still leaves members of Parliament receiving lower remuneration increases than the general population.

### **4 Tax-free allowance**

- 4.1 The Authority has adjusted members' tax-free allowance by 1.0%, that percentage change being the percentage change in the Consumers Price Index since this allowance was last adjusted.
- 4.2 The Authority is working with the Speaker to gain assurance that this allowance, which was independently verified in 2001, is still set at an appropriate level to meet such genuine out-of-pocket business expenses as—
- (a) the entertainment of visitors, staff, constituents, and officials; and

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

## **5 Superannuation**

- 5.1 The Authority has made no adjustment to the percentage contribution payable to members' superannuation. This contribution, which is capped at 20% of an ordinary member's salary, ranges from 6.9% to 20%, depending on the position the member holds.

---

Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 20 December 2012.

---

**Contents**

- 1 General
  - 2 Status of reprints
  - 3 How reprints are prepared
  - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
  - 5 List of amendments incorporated in this reprint (most recent first)
- 

**Notes****1 General**

This is a reprint of the Parliamentary Salaries and Allowances Determination 2012. The reprint incorporates all the amendments to the determination as at 30 June 2013, as specified in the list of amendments at the end of these notes.

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

**2 Status of reprints**

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

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

**3 How reprints are prepared**

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

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

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

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

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

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

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

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

Parliamentary Salaries and Allowances Determination 2012 (SR 2012/422):  
clause 3

---