



REPORT
OF THE
Royal Commission
Upon Parliamentary Salaries
and Allowances
1968

*Presented to the House of Representatives by Command of
His Excellency the Governor-General*

BY AUTHORITY:

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Royal Commission to Inquire Into, and Report Upon, Parliamentary Salaries and Allowances

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, New Zealand, and Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

To our Trusty and Well-beloved EDWARD DENIS BLUNDELL, Esquire, B.A., Officer of the Most Excellent Order of the British Empire; GEORGE THOMAS BOLT, Esquire, Companion of the Most Distinguished Order of Saint Michael and Saint George; and ERIC WILLIAM McCALLUM, Esquire, Commander of the Most Excellent Order of the British Empire:

GREETING:

WHEREAS by section 27 of the Civil List Act 1950 it is provided that the Governor-General, on the recommendation of a Royal Commission appointed in that behalf, may from time to time, by Order in Council, fix the salaries and allowances to be paid to the Prime Minister and other Ministers of the Crown or Members of the Executive Council, to Parliamentary Under-Secretaries, and to the Speaker and Chairman of Committees and other Members of the House of Representatives:

And whereas by subsection (1A) of the said section 27 it is provided that a Royal Commission shall be appointed for the purposes of that section within three months after the date of every general election of Members of Parliament and a general election was held on the 26th day of November 1966:

Now know ye, that We, reposing trust and confidence in your impartiality, integrity, and ability, hereby nominate, constitute, and appoint you, the said

EDWARD DENIS BLUNDELL,
GEORGE THOMAS BOLT, and
ERIC WILLIAM McCALLUM

to be a Commission to inquire into and report upon the salaries and allowances paid to our Prime Minister and other Ministers of the Crown or Members of the Executive Council, to Parliamentary Under-Secretaries, to the Speaker and Chairman of Committees, and to the Leader of Our Official Opposition, and to other Members of the House of Representatives; and if it be reported that it is necessary or desirable to alter those salaries and allowances or any of them, then to recommend to His Excellency the Governor-General the nature and extent of the alterations that should be made:

And generally to inquire into and report upon any other matters arising out of or affecting the premises which may come to your notice in the course of your inquiries and which you may consider should be investigated in connection therewith:

And We do hereby appoint you, the said

EDWARD DENIS BLUNDELL

to be Chairman of the said Commission:

And for the better enabling you to carry these presents into effect you are hereby authorised and empowered to make and conduct any inquiry under these presents at such time and place as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and so that these presents shall continue in force, and the inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

And you are hereby strictly charged and directed that you shall not at any time publish or otherwise disclose save to His Excellency the Governor-General in pursuance of these presents or by His Excellency's directions, the contents of any report so made or to be made by you or any evidence or information obtained by you in the exercise of the powers hereby conferred upon you except such evidence or information as is received in the course of a sitting open to the public:

And we do further ordain that you have liberty to report your proceedings and findings under this Our Commission from time to time if you shall judge it expedient so to do:

And using all due diligence, you are required to report to His Excellency the Governor-General in writing under your hands not later than the 31st day of July 1967, your findings and opinions on the matters aforesaid, together with such recommendations as you think fit to make in respect thereof:

And, lastly, it is hereby declared that these presents are issued under the authority of the Letters Patent of His late Majesty King George the Fifth, dated the 11th day of May 1917, pursuant to section 27 of the Civil List Act 1950, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof we have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 27th day of February 1967.

Witness Our Right Trusty and Well-beloved Cousin Sir Bernard Edward Fergusson, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Companion of the Distinguished Service Order, Officer of the Most Excellent Order of the British Empire, Brigadier on the Retired List of Her Majesty's Army, Governor-General and Commander-in-Chief in and over New Zealand; acting by and with the advice and consent of the Executive Council of New Zealand.

BERNARD FERGUSSON, Governor-General.

By His Excellency's Command—

KEITH HOLYOAKE, Prime Minister.

Approved in Council—

T. J. SHERRARD, Clerk of the Executive Council.

[L.S.]

Extending the Time Within Which the Royal Commission to Inquire Into and Report Upon Parliamentary Salaries and Allowances May Report

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, New Zealand, and Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

To our Trusty and Well-beloved EDWARD DENIS BLUNDELL, Esquire, B.A., Officer of the Most Excellent Order of the British Empire; GEORGE THOMAS BOLT, Esquire, Companion of the Most Distinguished Order of Saint Michael and Saint George; and ERIC WILLIAM McCALLUM, Esquire, Commander of the Most Excellent Order of the British Empire:

GREETING:

WHEREAS by Our Warrant dated the 27th day of February 1967, issued under the authority of the Letters Patent of His Late Majesty King George the Fifth dated the 11th day of May 1917, pursuant to section 27 of the Civil List Act 1950, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand, you were appointed to be a Commission to inquire into and report upon the matters in Our said Warrant set out being matters concerning Parliamentary salaries and allowances:

And whereas by Our said Warrant you are required to report to His Excellency the Governor-General, not later than the 31st day of July 1967, your findings and opinions on the matters aforesaid, together with such recommendations as you might think fit to make in respect thereof:

And whereas it is expedient that the time for so reporting should be extended as hereinafter provided:

Now, therefore, We do hereby extend until the 30th day of April 1968, the time within which you are so required to report without prejudice to the continuation of the liberty conferred upon you by Our said Warrant to report your proceedings and findings from time to time if you should judge it expedient to do so:

And We do hereby confirm Our said Warrant and the Commission thereby constituted save as modified by these presents:

And it is hereby declared that these presents are issued under the authority of the said Letters Patent of His late Majesty, pursuant to section 27 of the Civil List Act 1950, and under the authority of and subject to the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 7th day of June 1967.

Witness Our Right Trusty and Well-beloved Sir Bernard Edward Fergusson, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of Our Royal Victorian Order, Companion of our Distinguished Service Order, Officer of Our Most Excellent Order of the British Empire, Brigadier on the Retired List of Our Army, Governor-General and Commander-in-Chief in and over New Zealand; acting by and with the advice and consent of the Executive Council of New Zealand.

BERNARD FERGUSSON, Governor-General.

By His Excellency's Command—

KEITH HOLYOAKE, Prime Minister.

Approved in Council—

T. J. SHERRARD, Clerk of the Executive Council.

[L.S.]

*Extending the Time Within Which the Royal Commission to Inquire
Into and Report Upon Parliamentary Salaries and Allowances May
Report*

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom,
New Zealand, and Her Other Realms and Territories Queen, Head
of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved Sir EDWARD DENIS BLUNDELL,
Esquire, B.A., Knight Commander of the Most Excellent Order of
the British Empire; GEORGE THOMAS BOLT, Esquire, Companion of
the Most Distinguished Order of Saint Michael and Saint George;
and ERIC WILLIAM McCALLUM, Esquire, Commander of the Most
Excellent Order of the British Empire:

GREETING:

WHEREAS by Our Warrant dated the 27th day of February 1967, issued
under the authority of the Letters Patent of His Late Majesty King
George the Fifth dated the 11th day of May 1917, pursuant to section 27
of the Civil List Act 1950, and under the authority of and subject to the
provisions of the Commissions of Inquire Act 1908, and with the advice
and consent of the Executive Council of New Zealand, you were
appointed to be a Commission to inquire into and report upon the
matters in Our said Warrant set out being matters concerning Parlia-
mentary salaries and allowances:

And whereas by Our said Warrant you were required to report to
His Excellency the Governor-General, not later than the 31st day of
July 1967, your findings and opinions on the matters aforesaid, together
with such recommendations as you might think fit to make in respect
thereof:

And whereas by Our Warrant dated the 7th day of June 1967 the
time for so reporting was extended until the 30th day of April 1968:

And whereas it is expedient that the time for so reporting should be
further extended as hereinafter provided:

Now, therefore, We do hereby extend until the 30th day of June 1968,
the time within which you are so required to report without prejudice
to the continuation of the liberty conferred upon you by Our said
Warrants to report your proceedings and findings from time to time if
you should judge it expedient to do so:

And We do hereby confirm Our said Warrants and the Commission
thereby constituted save as modified by these presents:

And it is hereby declared that these presents are issued under the
authority of the said Letters Patent of His Late Majesty, pursuant to
section 27 of the Civil List Act 1950, and under the authority of and
subject to the Commissions of Inquiry Act 1908, and with the advice and
consent of the Executive Council of New Zealand.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 11th day of March 1968.

Witness Our Right Trusty and Well-beloved Sir Arthur Espie Porritt, Baronet, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Royal Victorian Order, Commander of Our Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand; acting by and with the advice and consent of the Executive Council of New Zealand:

ARTHUR PORRITT, Governor-General.

By His Excellency's Command—

KEITH HOLYOAKE, Prime Minister.

Approved in Council—

P. J. BROOKS, Clerk of the Executive Council.

[L.S.]

Report of the Royal Commission on Parliamentary Salaries and Allowances

To His Excellency Sir Arthur Porritt, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Commander of the Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand:

MAY IT PLEASE YOUR EXCELLENCY:

We, the undersigned members of the Royal Commission constituted by virtue of section 27 of the Civil List Act 1950, to inquire into and report upon parliamentary salaries and allowances, respectfully submit our report as follows:

The order of reference authorises and instructs the Commission to inquire into and report upon the salaries and allowances payable to:

1. The Prime Minister;
2. Other Ministers or members of the Executive Council;
3. Parliamentary Under-Secretaries;
4. The Speaker;
5. The Chairman of Committees;
6. The Leader of the Opposition;
7. Other Members of the House of Representatives;

and if it is necessary or desirable to alter these salaries and allowances or any of them, then to recommend to His Excellency the Governor-General the nature and extent of the alteration that should be made;

and generally to inquire into and report upon any other matters arising out of or affecting the premises which may come to the Commission's notice in the course of its inquiries and which the Commission may consider should be investigated in connection therewith.

I. PRELIMINARY MATTERS

Initially our Warrant required that our report be submitted not later than 31 July 1967. At our first meeting in March 1967 we considered that in the circumstances then prevailing it was advisable that our report be deferred for approximately one year. The economic outlook at that time was obscure and in particular there would be insufficient time by July for the full impact of various actions taken by the Government to be assessed. We were mindful then, as now, that our recommendations would affect a group whose salaries and allowances had remained unchanged since 1 July 1964 and that any change in these consequent upon our recommendations likewise would remain unchanged for a further two years approximately by which time there would be a review by another Commission.

We conveyed these views to the Prime Minister, the Leader of the Opposition and Mr V. F. Cracknell. All agreed to the extension. In consequence we made an interim report recommending that the time for filing the report be extended to 30 April 1968. This was approved.

Earlier this year and when we were about to proceed with our investigation to the extent of interviewing Ministers, members, and others we were aware that in March the Court of Arbitration would commence a hearing on an application for a General Wage Order. While this of itself would not inhibit our proceeding with our investigations we thought it advisable that before submitting our report we should know the decision of the Court. Accordingly we sought and obtained a further extension to 30 June 1968.

It must always be the position that each member of the Commission should be entirely independent and impartial in his consideration of the matters for decision. The Chairman is now High Commissioner for New Zealand in the United Kingdom and his remuneration for this office, like that of Ministers and members, is paid out of public funds. In the normal course therefore the Chairman would have tendered his resignation. It should be recorded therefore that this course has not been followed because our investigations and our basic decisions had been completed and reached before the Chairman was aware of and had accepted the appointment. There have been some minor adjustments since then but nothing of a fundamental nature.

II. INTRODUCTION

Of the present Commission the Chairman and Mr Bolt were members of like Commissions in 1961 and 1964. The reports of those years have been read by the third member, Mr McCallum, who agrees with the general statements of principle and policy recorded therein. Consequently it is not proposed in this report to cover the same ground in any detail. Primarily for the purposes of convenient reference and as a guide to the reasons for our conclusions we shall record in the appropriate places in this report a summary of the statements made in the reports of 1961 and 1964. In brief, we have applied to basic principles and policies laid down by previous Commissions the circumstances as we find them today from the information we have obtained in the course of our investigations and what we know of our own general knowledge.

We have adopted the policy of previous Commissions in not holding public hearings and limiting the hearing of oral submissions to those who asked to be heard or whom we requested to appear before us. We recognise the inherent dangers in relying upon evidence not given publicly on oath and tested by cross-examination. On the other hand we have found, as apparently has been the experience in the past, that the procedure we adopted enabled us to obtain more information of a personal nature than was likely to be possible in a formal judicial inquiry. For example, many members have been frank with us regarding their personal position to an extent they would have been reluctant to disclose publicly and probably could not have been compelled to do so. Our aim has been to get to the realities of the situation as to the adequacy and fairness of the current provisions relating to parliamentary salaries and allowances.

Notices were published in the daily press inviting submissions from the public. The response was meagre but we were grateful to have well reasoned submissions from two prominent citizens in the Auckland area. Much of what they said is in line with our own thinking.

We let it be known that we would welcome written submissions by any Minister or member. A large number was received. We have interviewed the Prime Minister, the Leader of the Opposition, and Mr Cracknell. We also nominated what we regarded as a representative cross-section of Ministers and of members on both sides of the House to appear before us for questioning. These interviews have been most helpful and throughout we have been impressed by the candour of those who necessarily are interested in the outcome. We have interviewed the Clerk of the House whose immense experience and knowledge of the problems of members were of great value. We have also interviewed the Secretary to the Treasury and the Deputy-Superintendent of the Government (also Parliamentary) Superannuation Funds.

Reports sought and received from sources outside Parliament were:

1. The booklet published by the Commonwealth Parliamentary Association intituled "Payment and Privileges of Commonwealth Parliamentarians".
2. The Treasury.
3. The State Services Commission.
4. The Government Statistician.
5. The Labour Department.
6. The Monetary and Economic Council.
7. The Government and Parliamentary Superannuation Funds.
8. The last report of the Advisory Committee on Higher Salaries in the State Services.

We attach to this report—

1. A summary of our recommendations.
2. A summary of the present privileges of members and of their superannuation rights.

III. RECOMMENDATIONS IN RESPECT OF ALL PARLIAMENTARY SALARIES

(A) General Observations

While for the individual it is the total remuneration of salary, tax-free allowances, and other privileges which matter, different considerations apply to each and thus we follow the practice of previous Commissions in dealing with them separately.

It is common knowledge that there is a wide divergence of opinion on what is the appropriate salary for Ministers and members and this comes to a head when, as now, a Commission is called upon to recommend what, if any, change should be made. The divergence ranges from those who favour a reduction to the other extreme of those who contend that the substantial increases made in 1964 are still insufficient. At least it is now accepted virtually universally that Ministers and members are entitled to be paid a salary for the services they give to the country. This must be so. The problem is how much.

It is at this stage that we regard it as appropriate to repeat in summary statements of some fundamental propositions accepted by previous Com-

missions and by us. The reader who is interested in doing so will find these stated more fully in the 1964 report but for this report it is sufficient to refer to the following:

- (a) *That the occupation of a Member of Parliament should be regarded as virtually full-time and professional in nature.*

There may be many who, because they are unaware of the true position, find this difficult to accept. They can point to the position that, in general, Parliament is in session for approximately half the year only. Yet it should be known that the duties of a member by no means stop there. Those which relate directly to parliamentary matters generally extend over considerable periods during the recess. The increasing complexity and volume of the matters which the Legislature has to consider require most members to spend considerable time during the recess in Select Committee work or investigation and study relating to legislation either before Parliament or expected to be introduced at the next session. Members from both sides of the House require to undertake extensive study of a multitude of matters to equip themselves when these matters are raised in debate. Many such topics are of a technical and complex nature. By way of illustration only, it is sufficient to refer to the recent reports of the Royal Commission on Personal Injury by Accident and of the Taxation Review Committee. And in addition to all such matters as these the member of course has his obligations to his electorate which continue throughout the year.

- (b) *That it should be assumed that a Member of Parliament has no other income.*

As in 1964, this assumption is in fact substantially correct in relation to the present Parliament. Our inquiries satisfy us that rather more than half of all members have virtually no income other than their parliamentary salary. Of the balance the largest single group are farmers but not only have farming incomes generally fallen appreciably but most of these members have to employ a manager or other paid staff. There are a few in the professions but the time that they can devote to their practices is minimal and consequently both the practice and the income from it suffer.

- (c) *That it should be accepted that members are married with family commitments.*

This again is literally true in respect of a large number of members in the present Parliament. It is a situation which is likely to expand with the apparent trend towards younger men.

- (d) *Regard should be had to the sacrifices a member and his wife (or husband) have to make in respect of his enjoyment of leisure and family life.*

It is of course true that there are many others to whom this comment would apply, yet we believe there must be comparatively few who have so little time to devote to their family and

other private pursuits. While Parliament is in session members normally have to work on constituency matters during the greater part of the weekend when they return to their homes. During their absence in Wellington much of the interviewing, the taking of telephone calls, and so forth is done by the wife. Many wives of members assist in their husband's correspondence. When Parliament is in recess the member still finds he has to work virtually every day of the week and again looks to and obtain from his wife considerable assistance.

It is accepted that to any of the foregoing general propositions there will be individual exceptions. Some members work longer hours than others. Yet it seems to us that the only safe and fair way to approach this question of salary is to accept these assumptions as applying to the majority of members. Any attempt to determine the salary in relation to the individual or his electorate obviously is fraught with uncertainty and would lead to confusion and anomaly.

We do not overlook the compensating factors which also should be taken into account. They are referred to on page 14 of the 1964 report. The promise of the financial reward from salary and allowances must have little influence on the decision of the individual to enter and remain in political life. His reward comes more fully from all that is associated with that way of life.

(B) Particular Aspects Influencing Recommendations

In the 1964 report the Commission, after recommending the substantial increase in salaries of members (excluding Ministers and others) from £1,550 (\$3,100) to £2,150 (\$4,300), went on to say at page 14:

We express the hope, for we can do no more, that this figure, if accepted by Parliament, will be regarded for several years as an appropriate basic salary for a member of Parliament so that future changes will be related more directly and solely to changes which have occurred during each three-year period in regard to wages, salaries, and the cost of living.

It has been on that basis that we have made our first approach to this question.

Statistics supplied by various Government Departments show that since October 1964 there have been significant increases in wages, salaries, and the cost of living. Advice from the Treasury is that the consumer prices as measured by the All Groups Index of the Consumers' Price Index rose by 13.5 percent between September 1964 and December 1967: that minimum rates of wages specified in awards of the Court of Arbitration and other wage-fixing authorities advanced by 16.8 percent between the end of March 1964 and the end of September 1967: that in the same period ruling rates as indicated by the hourly average of ordinary time of all workers in industries surveyed by the Department of Labour increased by 21 percent. Figures supplied by the State Services Commission show that the increases upon a salary commensurate with that of a member have resulted in a rise of some 18 percent from 1 April 1964 to 1 April 1968.

It will be noted that, except for the last figure just given, the statistics cover periods which expired before devaluation in November 1967. There have not been available to us statistics from which we can

assess in percentage terms the effects of devaluation, but it is obvious that these will tend to derogate from rather than improve the comparisons with the salaries of members.

While we recognise that statistics of themselves can be misleading unless all factors upon which they are based are studied and assessed, it does seem from those we have quoted, from others which have been supplied to us, and from our own knowledge that on the basis suggested by the 1964 Commission members would be entitled to an increase in salary of something between 15 percent and 20 percent. This, it is to be remembered, would do no more than bring their relative position in line with increases in wages and salaries paid elsewhere. As we have pointed out earlier, members are likely to receive no further increase until the next review some two years hence.

Subsequently to our consideration of these statistics there has been delivered the decision of the Court of Arbitration holding that there should be no increase in minimum rates. This has affected our recommendation on salaries to some extent, but in the circumstances which concern us the effect is limited. This is so because we are dealing with circumstances in many ways so different from those under consideration by the Court. In particular it should be noted that Ministers and members have had no adjustment in salaries for nearly four years and will have no further review for approximately another two years.

Another factor of importance is that, but for the extensions of time for the submitting of this report, any change in the salary of members probably would have come into effect some time in 1967. The effect of section 27 (2) of the Civil List Act 1950 is to prohibit any Order-in-Council made pursuant to our recommendations being retrospective beyond 1 April 1968.

Relative to the Permanent Heads of State Departments and others paid from public funds, the salaries of the Prime Minister and other Ministers have retrogressed to an even greater extent. There are at present three persons whose remuneration is paid from public funds whose salaries are in excess of that of the Prime Minister. We believe that, apart from the Governor-General, the Prime Minister should have the highest salary paid from public funds.

Increases recommended by the Advisory Committee on Higher Salaries in the State Services which have been approved by the Government show that the minimum total increases for a Permanent Head on a salary comparable with a Minister have been \$1,400 since 1 April 1964. Several others have received greater increases.

It is of course true that the Prime Minister and Ministers have substantial tax-free allowances and other benefits denied to public servants; yet this of itself is no sufficient reason why in comparison their salaries should be so much lower. Their allowances are granted to recompense them for expenses necessarily incurred in the discharge of their duties and obligations both as Ministers and as members. They do not enjoy the same security of office as is the privilege of the public servant. Their pension rights are based on their salaries as members and thus they will receive much less by way of superannuation than the Permanent Heads of the Departments which they administer.

Subject to proven need for differentiation in isolated cases, we consider that where any change in the salary is proposed this should be done so as to retain reasonable relativity in the whole range of parliamentary salaries. Finally, the comment should be made that while the

net amount due to the individuals as a result of any increase may be much reduced because of tax, the gross salary of a member is of added importance to all because it is on this that the superannuation is based.

Up to this point therefore the factors we have mentioned would seem of themselves to justify a significant increase in the salaries of Ministers and members. We turn then to those other factors arising out of the current economic condition of the country and the prospects for the immediate future. These must be taken into account and those which particularly influence us are as follows:

- (1) The policy of the Government that to combat the effects of the current economic conditions and to receive the benefits of devaluation there is need for restraint upon increases in salaries and wages.

It is not for us to enter into any political controversy. We are faced with the position, however, that we recommend rather than determine and primarily it is for the House and the Government to say whether our recommendation as to salaries is acceptable. Consequently it would be unwise for us to ignore what all know to be the policy of the Government in this regard.

- (2) Most of the Ministers and members whom we have interviewed recognise that, if there is to be any increase in salary at all, it must be small. The comment was made more than once that the example should come from Parliament itself.
- (3) We endorse the opinion to which we have just referred. While we are under a plain duty to be fair to members we must remember also that in a sense we represent the public. We believe there would be widespread public resentment at any substantial increase in parliamentary salaries.
- (4) The increases we recommend in respect of allowances. Admittedly any changes in tax-free expenses must be governed by factors quite different in most respects from those which relate to salary. Nevertheless an improvement under this heading must assist in lessening the sacrifice which we think our recommendation as to salaries involves.

Taking all these matters into consideration and believing that in the current circumstances a flat percentage increase is more fair to all, we recommend that all parliamentary salaries from the Prime Minister to the member be increased by $7\frac{1}{2}$ percent, such increase to be taken to the nearest \$50 upwards.

Finally on this matter we should record our views on expressions of opinion conveyed to us by one or two whom we interviewed. This was that we should recommend the salary which we thought appropriate and in doing so disregard the effect of current conditions. It would then be the responsibility of the Government to make the decision whether that recommendation or some lesser amount be adopted. The force of this argument we can appreciate but are firmly of the opinion we should not accept it. The Legislature has seen fit to enact that at least the recommendations as to parliamentary salaries and allowances should be made by one or a group of citizens in every way disinterested personally in the outcome. This has avoided the embarrassment and perhaps unseemly position of the Government and members generally

to be the ones to determine their own remuneration. Further, as stated already, we regard ourselves as representing the public and where the circumstances are such that we feel the public would be opposed to a substantial increase we should certainly have regard to them. It seems to us therefore that to submit a recommendation which might well then become the subject of controversy on the floor of the House would be to undermine the object of the legislation and to be acting contrary to our own views. Of course there may still be debate on our recommendation but at least all will be aware of the reasons influencing it.

In summary therefore our recommendation as to increases in salaries would have the following consequences:

Prime Minister	.....	.....	.....	From \$11,500 to \$12,400
Deputy Prime Minister	.....	.....	.....	From \$8,500 to \$9,150
Each Minister	.....	.....	.....	From \$8,000 to \$8,600
(For any Ministers appointed without portfolio)	.....	.....	.....	From \$6,500 to \$7,000
Parliamentary Under-Secretaries	.....	.....	.....	From \$6,000 to \$6,450
Leader of the Opposition	.....	.....	.....	From \$6,800 to \$7,350
Deputy Leader of the Opposition	.....	.....	.....	From \$4,800 to \$5,200
The Speaker	.....	.....	.....	From \$6,800 to \$7,350
Chairman of Committees	.....	.....	.....	From \$5,500 to \$5,950
Chief Government and Opposition Whips				Salary as members plus \$400 (previously \$200)
Junior Government and Opposition Whips				Salary as members plus \$200 (previously \$130)
Members	.....	.....	.....	From \$4,300 to \$4,650

We make the following comments:

- (1) Any future Commission influenced by our reasons should be under no doubt that but for the prevailing economic conditions and the prospects for the immediate future we would have recommended an increase designed to maintain the relative position of Ministers and members with salaries and wages paid elsewhere.
- (2) There was urged upon us again that the Leader of the Opposition should be paid the same salary and have the same allowances and privileges as a Minister. Indeed we detect a more widespread support for this amongst members from both sides of the House. Needless to say the present incumbent of that office was silent on the topic. In 1964 the Commission had to consider the same submission and its views are recorded on page 16 of that report. We adhere to them. That does not mean that the two of us who were parties to that statement are inflexible in that opinion but all three of us believe that the present is not opportune to make so radical a change. It could well embarrass the Leader of the Opposition to be placed comparatively in so much more favourable a position than anyone else. Indeed it is fair to record that he favoured that any increase recommended should be on a flat percentage basis. There would be revived the difficult and controversial question of the

relevant salaries of the Leader of the Opposition and the Speaker. We think the position should be left as it is.

- (3) It will be seen that we recommend an increased salary allowance for the Chief and Junior Whips of the Government and the Opposition. We have been satisfied from the evidence of many in a position to know that the importance and the demanding nature of the duties which these members perform warrant greater recognition than has been given in the past. We have heard representations relating to any differences between Government and Opposition Whips but consider no differentiation should be made.

IV. ADJUSTMENT OF ALLOWANCES AND PRIVILEGES OF MEMBERS

Except to the extent that they are replaced, varied, or increased by the recommendations hereunder we recommend that no change be made in what applies at present.

The problem of tax-free allowances or their equivalent in kind must always be exceedingly difficult. That there is a right to them cannot be doubted. From the Prime Minister through to the back-bencher all Ministers and members unavoidably incur expense arising solely and directly out of the due performance of their duties. Thus they should be in no different position from a person employed in outside industry or commerce who receives without question indemnity or reimbursement of the expenses which he necessarily incurs in the performance of his work. As recorded in the 1964 report, the Inland Revenue Department takes the attitude, correctly we believe, that the only deductions recognised for tax purposes are those included in the tax-free allowances made to Ministers and members.

Observations made by previous Commissions on this topic are as valid today as they were in the past. There should be no element of income in allowances. Most people, by way of hospitality, donations and so forth make payments out of their income and to that extent members of Parliament should be in no different position; but they should not have to call to an unreasonable extent upon their salary to meet in part the cost of these unavoidable expenses. They come under a number of headings. Universally all Ministers and members are in a position where they cannot reasonably refuse to make donations or contributions to various clubs and organisations within their electorates. Most are faced with hospitality or entertainment expenses above normal. There are generally additional expenses for clothes for the member and his wife and a surprising number have to pay for sitters for their children when both the member and his wife have to be at some function associated with their position. There are the accommodation expenses when in Wellington on parliamentary duties and, in the case of the larger electorates, when going round the electorate.

Then there is the major item of all for those who do not have the use of official cars—the expenses of running a car. We accept that every member in every electorate needs a car if he is to have any hope of discharging adequately his duties within his electorate.

As is the position with salaries, whatever approach is adopted there will inevitably be anomalies. What may be fair for one could well be too much or too little for another. There is no formula we know of

which could resolve these problems satisfactorily but over the years a pattern has emerged which we believe, as indeed do most members, goes a considerable distance towards attaining reasonable uniformity having regard to the differences in the size and nature of electorates. We see no reason to change that pattern; but we believe that changes within the pattern are clearly warranted.

(A) Basic and Electorate Allowances for Members

The evidence justifying significant increases in a number of respects has been quite overwhelming. We are forced to the conclusion that in their anxiety to keep tax-free allowances to a minimum the last two Commissions at least have tended to be too conservative. As to some items there should be an increase, if for no other reason than that there is reflected in them the increases in costs and prices which have occurred during the last four years. The major cause for complaint has been in regard to car expenses. The universal comment was that these were much higher than could have been taken into account in fixing the present basic allowance. In several cases figures have been produced to us which, although accepted with some reservation and with the knowledge that to some extent these relate to use for personal or partly political reasons, substantiate the submission of the member concerned.

The changes we recommend are as follows:

Basic Expense Allowance. At present this is \$850 to which is added further amounts according to the classification of electorates. We recommend that this be increased to \$1,000.

We recommend that there be paid in addition and to form part of the basic allowance the following amounts in accordance with the classification of electorates:

- | | | |
|---|-------|------------------------------------|
| (a) For electorates which are wholly urban | ..... | An increase from \$50 to \$80. |
| (b) For electorates which are substantially urban | | An increase from \$100 to \$200. |
| (c) For electorates which are partially urban and partially rural | | An increase from \$250 to \$450. |
| (d) For ordinary rural electorates | ..... | An increase from \$500 to \$800. |
| (e) For predominantly rural electorates | ..... | An increase from \$600 to \$1,000. |

In accordance with established practice the classification under these five headings should be made by the Representation Commission. The differentiation in the last two categories should continue to be based primarily on the difficulties and added expenses in fully servicing the electorate.

It has long been recognised that the four Maori electorates have special problems warranting an additional allowance. For example the Southern Maori electorate now includes an area covered by no less than 44 electorates including the whole of the South Island. The current additional allowances of \$250 in respect of Southern Maori electorates and \$100 in respect of the other three Maori electorates have been unchanged since 1961. Each of them of course will benefit from the increases recommended for their electorates which we assume will be

under classification (e) above. We recommend that the additional allowance in the case of Southern Maori be increased to \$300 and in the case of each of the other three Maori electorates to \$150.

(B) Sessional Allowance

This is intended to cover the reasonable accommodation and living expenses of members while in Wellington on parliamentary duties. The existing allowance is \$6.50 which comprises \$1.50 for all members, including those from the Wellington area, and \$5.00 as a night allowance for those members from outside Wellington.

We recommend that these be increased to \$2.25 for the daily allowance and to \$6.00 for the night allowance, making a total of \$8.25 for sessional allowance for those living outside Wellington.

The principal representations under this heading related to the night allowance. However it is important to separate this from the daily allowance as only the latter applies to members from the Wellington area.

There are two factors which influence us in recommending the increase to the daily allowance. The first is that some regard must be had here to increases in ordinary living expenses which have occurred in the last four years; the second is that we were advised that in order to reduce the current loss in the provision of meals at Bellamys an increase in prices is likely to be made in the early future. We think the members from the Wellington area are entitled to receive the daily allowance of \$2.25 in full. While they may not customarily have as many meals at Bellamys as other members we were satisfied from information given us not only by some of them but also by other members that the burden of entertainment of visitors to Parliament seems in general to be higher in their case.

Members of Parliament requiring accommodation in Wellington while on parliamentary duties plainly should have reasonably good accommodation. There is the problem here of availability for naturally most members prefer that their accommodation be adjacent to Parliament Buildings. An increase in the allowance would not necessarily result in better class accommodation in reasonable proximity to Parliament. On the other hand we have found once again that far too many members live in circumstances which both they and ourselves consider is below the standard to which members are entitled. We find that many of them, in order to have the accommodation available as and when required, book it on an annual basis. In many cases two or more members share a flat or rooms which they regard as sufficient for their purposes but which are inadequate on those occasions when the wife of any of them visits Wellington. There appears to be a small but not marked increase in the cost of their accommodation. In recommending what seems to us a modest increase we have in mind that it will encourage members to seek better class accommodation, will facilitate their reserving it on a permanent basis if they so desire, and will assist on those occasions when the visit of a member's wife requires temporary accommodation at a motel or hotel.

It is unnecessary to set out in detail the circumstances under which the sessional allowance should be payable. This is because, subject to the enlargement which we shall mention, the existing arrangements as recommended on page 21 of the 1964 report have been put into effect and appear to operate satisfactorily in practice.

The enlargement to which we refer relates to when Parliament is in recess. The existing provision entitles a member to the sessional allowance when required to be in Wellington for Select Committee work or in respect of one night only when in Wellington for a properly notified caucus. It has been established to our satisfaction that members are in Wellington at different or for longer periods to attend caucus and caucus committee meetings, all of which arises out of their parliamentary duties. We recommend therefore that the full sessional allowance be payable to all members residing outside the Wellington area when they are in Wellington while Parliament is in recess and for the purpose of attending a meeting of a Select Committee or of a properly notified meeting of caucus or of a caucus committee. The daily allowance should be payable for each day or part of a day when in Wellington for that purpose and the night allowance should be payable on the same basis as now applies when the member is in Wellington while Parliament is sitting. The provision in respect of the daily allowance should apply to members residing in the Wellington area engaged in any of the said work.

(C) Typing Facilities

In the past this matter has been considered under the heading of "Secretarial and Office Accommodation" which really is an inappropriate description. Office accommodation for members seems to be as adequate as circumstances permit and there has been no complaint made to us in this regard. What has been referred to as "secretarial" really means provision of shorthand and typing facilities.

This is a perennial problem in electorates. It was urged upon us by many that this Commission should explore again the possibility of members having available in their electorates the part-time services of a typist working in one of the State Departments. In most cases this probably would mean the Post and Telegraph Department. At first sight this would seem a reasonable request which could be implemented without much trouble. On further investigation however we are satisfied, as was the Commission in 1964, that this has grave difficulties in practice. It is not favoured by the State Services Commission and we are informed in particular that it is not favoured by the Post and Telegraph Department. Arrangements would require to be made for a typist to be available at some specified time during any week. That might well prove to be unsuitable either for the Department concerned or for the member. There is the problem of adequate security. Further, while the difficulties may be less in the main cities and towns, there is the problem of those many members with large electorates who do not themselves reside in a city or town of sufficient size to enable a typist to be readily available.

In the result we make no recommendation in that regard. As was the case in 1964, there is deemed to be included in the basic allowance now recommended for members a reasonably substantial but necessarily unstated amount to permit a member, if he so desires, to engage typing services in his own electorate and at his own expense.

In regard to the availability of typing assistance at Parliament Buildings we have been satisfied that the present provision is inadequate both when Parliament is in session and when it is in recess. The present shorthand and typing services available to members during the session are four typists to each party from 9 a.m. to 5 p.m. daily from Mondays to Fridays. Temporary arrangements have been made administratively for

the Leader of the Social Credit Political League. We recommend that each of the two pools of typists should be increased to five while Parliament is in session. We further recommend that the Clerk of the House be authorised to arrange reasonable part-time shorthand and typing facilities for the Leader of the Social Credit Political League, this to apply also during the recess.

At present no such services are available when Parliament is in recess. There were strong and convincing representations that a limited service should be provided. As we have indicated elsewhere, the trend is increasing as to the time many members require to be in Wellington during recess. We believe this submission is valid and we recommend that throughout the recess there be available a permanent typing pool of one typist for each of the Government and Opposition parties.

(D) Rail, Road, Sea (Inter-island), and Air Travel

We recommend no changes in the existing provision for members and wives in regard to travel by rail, road, or sea.

Two principal submissions were made to us in respect of air travel. The first was that the existing privileges in respect of the wives of members should be extended; the second was to remove the present restriction that any free air travel is limited to travel on authorised scheduled or non-scheduled services so as to permit free travel on charter or air taxi services as these terms have been incorporated into air services licences. We discuss each in turn.

The view is strongly held by most members that the existing privileges for their wives or husbands are inadequate. These permit six free single trips from constituencies to Wellington while Parliament is in session and a maximum of \$50 per annum towards the cost of travel of a member's wife or husband accompanying the member on his official duties. It is pointed out that air transport to a large extent has replaced rail and sea and thus the privileges accorded to wives in respect of those means of transport should be similar in respect of air transport. This, it is said, would not prove so expensive as may appear at first sight for most wives or husbands of members have their own family commitments which would preclude them from taking undue advantage of this privilege. Further, air transport frequently resulted in a saving of expense for overnight accommodation.

In the nature of an alternative to this general submission, it was urged that if the Commission was not prepared to recommend the full increase sought then there were proper grounds for expanding the existing provisions. They amounted in effect to only three free return trips to Wellington and these limited to when Parliament was in session. With the increasing trend already noted of members being required to be in Wellington on several occasions for Select Committee or caucus work the number of free trips and the restriction to when Parliament is in session was inadequate for the purposes for which the privilege was given in the first place. Frequently members were required to attend at an official function in Wellington or elsewhere and to be accompanied by their wives. If such a function, for example at Government House, was held when Parliament was in recess or at some place out of Wellington the cost of his wife's air travel fell on the member.

In regard to the \$50 per annum allowance for travel anywhere it was pointed out that this of itself would not meet both the type of official function just mentioned and the increasing number of other occasions where a member accompanied by his wife should travel to some part of the country outside Wellington or his electorate in the due performance of those additional duties which a member has to discharge from time to time.

We are satisfied that some expansion of the privilege is justified but we are not prepared to recommend that for wives the same privileges as apply for rail, road, and sea should extend to air transport. We think it right that wives should be able and indeed encouraged to attend at Wellington from time to time when their husbands are engaged on parliamentary duties or at official functions in the capital city and likewise, within reason, they should accompany their husbands when the member is carrying out elsewhere the duties associated with his office. But an unrestricted privilege seems to us to be going too far. There are many other wives who share in full measure the burdens associated with their husband's work and who have to accept their husbands being absent from home for extensive periods throughout the year. This is the type of privilege which is open to abuse. Even if air travel has so largely replaced rail, sea, and road, it is still very much more expensive and this should not be ignored. The speed of air transport tends to encourage more travel.

The second submission relating to air charter and air taxi services came primarily from certain members in large electorates though it must be said that other members as well pointed out that in their travels throughout the country it was frequently the case that air charter or air taxi flights were a substantial saving in time and possibly in cost of accommodation. Here again, however, we feel we must not ignore either the reality that such a privilege is open to abuse and that the cost of such travel is so much higher than other means of transport. In the result we recommend under this heading as follows:

- (a) That members have free travel anywhere within New Zealand provided this is on a regular and authorised scheduled or non-scheduled service as those terms are defined in air services licences. In particular there should be no free air travel for charter or air taxi services;
- (b) That in lieu of the existing privileges in respect of wives or husbands of members there be a provision that the wives or husbands of members be entitled to 12 free single trips from their constituencies to Wellington, these to apply at any time throughout the year but provided that the member is in Wellington while Parliament is in session or at other times for Select Committee or caucus work or official functions associated with his duties as a member;
- (c) That subject to (d) hereunder there be no change in the existing provision of an air travel allowance up to a maximum of \$50 per annum for the use by the member's wife or husband accompanying the member on his official duties;
- (d) That if within his electorate only a member uses air travel restricted as provided in (a) above for the purposes of attending a function in connection with his parliamentary duties and the attendance of his wife at that function is reasonably necessary, there should be free travel for the wife but not exceeding a maximum of \$70 in any one year.

(We understand there has been some doubt as to what is meant by the phrases "official functions" and "parliamentary duties". Perhaps the Law Draftsman can be more precise than we find possible in defining these terms. We should record, however, that what we have in mind in respect of official functions is that type of function which is not private in nature and to which the member is invited or is required to go primarily because he holds the position as a member of Parliament. In regard to parliamentary duties we mean those ordinary duties which exist when Parliament is in session and those other duties arising out of or incidental to the obligations of a member and they include Select Committee and caucus work when Parliament is in recess or when the member is required to attend a function within or outside his electorate when his presence is required for some aspect bearing on his overall duties as a member.)

(E) Travel Expenses to and from Wellington

Under this heading we deal with two aspects. The first is the one already covered to some extent in the existing provision, namely, the transport of a member from his home to his point of departure for Wellington and the reverse on his return. The other aspect is the new one of transport on arrival in or departure from Wellington. We deal with each in turn as follows:

(i) *Travel expenses from home to point of departure by public transport and on return.*

The existing provision, which will be found on page 24 of the 1964 report, was intended primarily to meet the situation of those members in large electorates who require to use their own car to get from their homes to the point of departure to Wellington at the airport, railway station, road transport terminal, or wharf, as the case may be. Our attention has been drawn to a like, if lesser, problem of a number of other members whose electorates are smaller in size but who still need to use their cars to get to the point of departure. Theoretically public transport may be available but it is inconvenient and time consuming. By way of example only can be quoted the position of a member who resides in North Shore in Auckland.

Arising out of these matters it was submitted by some that the existing provision in any event was often inadequate. This was because the member's wife or someone else in his family drove the member to the point of departure but then had to return to the home with the car and thus in effect the use of the car was duplicated. While there is substance in this we think it is typical of where there can be anomalies and is largely a matter of the personal arrangements for the member and his family. We recommend no change.

(ii) *Travel expenses at Wellington.*

There were particularly strong representations that the situation in Wellington was unsatisfactory and not in accordance with the dignity of members. As the situation is now a member arriving at Wellington Airport, for example, unless he pays for his own taxi has to use the transport provided to get him to the Air Centre and from there has either

to hire a taxi or walk with his luggage to Parliament or where he resides. The same thing happens in reverse and the position is often accentuated by the late sitting hours of Parliament.

Although this latter position is often met even for the Wellington members the situation is far from satisfactory. We agree that the status of a member of Parliament and the obligations which attendance at Parliament necessarily involve entitle members to free transport on arrival at and departure from Wellington.

In the result, we recommend as follows:

As to (i)—That where the normal public transport is not available between a member's home and the commencement of his trip to Wellington from the airport or air centre (whichever is the closer to his home), or the rail, sea, or road terminal, or such public transport is so inconvenient that it is reasonable for a member to use his car or other means of transport, the member should be reimbursed for the cost of use of his car to such airport, air centre, or terminal as aforesaid, such reimbursement to be on the same terms and conditions and at the same rates as would apply to a public servant travelling on official business. This provision to apply similarly on return from Wellington;

As to (ii)—That members be supplied with orders enabling free transport by taxi to and from the point of arrival or departure at the airport, railway station, bus terminal or wharf in Wellington, and Parliament Buildings or their residence in Wellington. This provision we recommend should apply when Parliament is in session and also when Parliament is in recess and the member is attending at Wellington for Select Committee work or for properly notified caucus or caucus committee meetings or for official functions.

V. ADJUSTMENT OF ALLOWANCES AND PRIVILEGES FOR MINISTERS AND OTHERS

(A) Basic Allowance

In respect of the Prime Minister, other Ministers, Under-Secretaries, and the Leader of the Opposition there has been no change in the basic allowance since 1961. Each of these receives this allowance in lieu of that to which he would be entitled otherwise as a member. Each also has separate allowances and privileges from those available to members. The principal ones relate to the use of cars and accommodation in Wellington.

Yet in other respects these office-holders have many of the like expenses as relate to members such as donations, hospitality, and the cost of clothes for themselves and their wives. Plainly they also are entitled to an increase. Representations to us on this matter were limited but the effect of increases in the cost of living and of other expenses are obvious.

We recommend the following changes in the basic allowance:

Prime Minister—from \$3,200 to \$3,500.

Deputy Prime Minister—from \$1,200 to \$1,400.

Other Ministers—from \$1,100 to \$1,300.

Under-Secretaries—from \$900 to \$1,100.

Leader of the Opposition—from \$1,100 to \$1,300.

Mr Speaker—Normal allowance as a member plus \$1,000 instead of \$700.

Chairman of Committees—Normal allowance as a member plus \$600 instead of \$400.

Deputy Leader of the Opposition—Normal allowance as a member plus \$500 instead of \$300.

(NOTE—(i) Where the office of Minister of External Affairs is held by a Minister other than the Prime Minister an additional expense allowance of \$450 instead of \$360 should be paid.

(ii) If a Minister without portfolio is appointed, his allowance should be \$1,100 instead of \$900, together with the other allowances as for Ministers.)

(B) Travel Allowance for Prime Minister, Ministers, Under-Secretaries, and their Wives.

The present rate of daily travelling allowance is \$10.50. In view of the upward trend in hotel tariffs, we recommend that this daily rate be increased to \$12.00.

(C) Leader of the Opposition

We are considering here adjustments to the existing provisions relating to car allowance, travel expenses outside the electorate, and free air travel for the wife of the Leader of the Opposition.

We are informed that the car allowance of \$1,200 per annum administratively is confined to official cars and primarily on the correct basis that the status of the office requires a prestige service. It has been pointed out to us, however, that the Leader of the Opposition necessarily travels in many parts of the country where there is no Public Service garage and it would be absurdly expensive to have the availability of an official car which has to travel lengthy distances to the point where it is required. Because of this expenses have been incurred personally in the use of taxis. It was suggested that the allowance be paid personally to the Leader of the Opposition to be devoted as he thought fit for this purpose. That, however, is prohibited by section 23 (2) of the Civil List Act 1950. We think the position ought to be remedied and that there is a reasonable compromise possible to achieve this.

Having regard to increases in accommodation and other expenses since 1964 we think some increase in the existing provision of \$800 for travel expenses outside the electorate is warranted. It has been brought to our notice also that there has been some misunderstanding of the position of the wife of the Leader of the Opposition in regard to free air travel.

In the result we recommend that in lieu of the existing provisions under these headings, which will be found on page 26 of the 1964 report, the following should apply:

- (i) That the Leader of the Opposition be entitled to the free use of an official car in Wellington;
- (ii) That as a car allowance for travel outside Wellington the Leader of the Opposition be entitled to a sum not exceeding \$1,000 per annum. Where no official car is reasonably available in the locality where required, the cost of a taxi may be charged to this allowance;
- (iii) That for travelling expenses outside his electorate the allowance of the Leader of the Opposition be increased from \$800 to \$1,100 per annum;
- (iv) That the wife of the Leader of the Opposition be entitled to unrestricted free air travel between her home and Wellington;
- (v) That where the Leader of the Opposition uses air travel to attend a function in his official capacity as Leader of the Opposition and it is reasonably necessary that his wife should be present at that function the cost of the air travel of his wife should be met officially. (Here also there has been some misunderstanding of what is meant by "official function". The comments made previously in respect of members apply equally.)

We recommend also that the Leader of the Opposition should have the same franking facilities as are available to Mr Speaker.

(D) Deputy Leader of the Opposition

Representations were made for some provision for official cars and for increased sessional typing facilities for the Deputy Leader of the Opposition. It was pointed out that here and in other respects the Deputy incurred expenditure not only by virtue of his position but because on occasions he was required to deputise for the Leader of the Opposition.

We have acceded to these submissions to a limited extent, but feel that too great an increase would not be justified. Our views have been disclosed by the increase of \$200 in his basic expense allowance.

(E) Mr Speaker

We are satisfied that there is some need for clarification in respect of car allowance of the Speaker and the free air travel for his wife. In regard to car allowance we recommend that Mr Speaker have the unrestricted use of official cars for local running in Wellington at any time. In addition he should have like free use between airport, railway stations, bus terminals, or wharves and to hotels and also for incidental running when elsewhere in New Zealand for the purpose of carrying out his official duties. Within his electorate Mr Speaker and his wife should each have the free use of an official car or free taxi if an official car is not available between their home and the nearest airport, railway station, or bus terminal as the point of departure to or arrival from Wellington or elsewhere if the Speaker is engaged on his official duties. In addition, Mr Speaker's wife should be allowed unrestricted air travel between her home and Wellington.

In all other respects we recommend no change in the existing privileges for Mr Speaker and his wife.

(F) Chairman of Committees

We recommend that while Parliament is in session the Chairman of Committees and Deputy Speaker be given the free use of official cars for local running in Wellington in connection with his official duties.

VI. FORMER PRIME MINISTER

In the 1964 report it was recommended that a salary allowance additional to any superannuation or other parliamentary salary be paid to any member who had held office as Prime Minister for a minimum period of two years and who retired voluntarily or, if still in Parliament, is a member only.

We recommend that this privilege be extended to provide for a Prime Minister defeated at the polls provided the two years minimum period has been served as Prime Minister.

VII. PAYMENT TO WIDOWS OF MEMBERS DYING DURING TERM OF OFFICE

The 1961 report recommended continuation of salary only to defeated members at a general election up to the end of the month following the month in which a general election was held. We recommend that a similar provision be made in the case of the death of a member leaving a widow or dependent children, i.e., that his widow or dependent children receive a salary payment equivalent to that which would have been paid had the member been defeated in a general election held at the date of his death.

VIII. PARLIAMENTARY SUPERANNUATION SCHEME

Following the report of the 1961 Royal Commission upon Parliamentary Salaries and Allowances, the Parliamentary Superannuation Scheme was considerably improved—so much so, that comment was made in the report of the 1964 Royal Commission that representations on this matter were not as extensive as previously. As a result only two amendments were recommended in 1964, i.e., the extension of the scheme to (a) dependent children and (b) widowers where such widowers were, in the opinion of the Superannuation Board, totally or partially dependent on the earnings of wives who were contributors to the Parliamentary Superannuation Scheme. These two amendments have since been embodied in legislation.

Again, as in 1964, we had requests for (a) payment of an allowance before the present qualifying age of 50 years and (b) an increased payment to widows. Both these matters were dealt with in detail in the 1964 report. For the reasons stated therein we do not favour alteration to the existing provisions.

In so far as comparison is possible the present Parliamentary Scheme, from the point of view of the contributor, compares favourably with other special schemes, such as the Judges' and the Magistrates'.

Alteration to existing provisions would be difficult to justify unless review is also made of similar provisions under other schemes. We are aware that representations have been made to Government by representatives of Government superannuitants seeking revision of superannuation allowances in the light of substantial salary increases granted to State servants over recent years to bring rates of pay up to rates paid outside the State Services following ruling rate surveys and recommendations of the Advisory Committee on Higher Salaries as well as increases due to the rising cost of living. We would find it difficult to justify special consideration to a comparatively small group of contributors coming under a special scheme of superannuation.

IX. DATE OF VARIATIONS

We recommend that all the foregoing variations in salaries and allowances be made effective from 1 April 1968.

We have the honour to be Your Excellency's obedient servants.

E. D. BLUNDELL, Chairman.

G. T. BOLT, Member.

E. W. MCGALLUM, Member.

Wellington, New Zealand, 27 June 1968.

Expense allowance of members:

1. The basic expense allowance to be increased from \$850 to \$1,000.
2. The additional allowance depending on classification of electorates to be:

(a) Electorates which are wholly urban	.....	.....	\$80
(b) Electorates which are substantially urban	.....	.....	\$200
(c) Electorates which are partially urban and partially rural	.....	.....	\$450
(d) Electorates which are ordinary rural	.....	.....	\$800
(e) Electorates which are predominantly rural	.....	.....	\$1,000
3. Special additional allowance for Southern Maori Electorate of \$300 and for each of the other Maori electorates \$150.

(B) Sessional Allowance (Members)

The daily allowance for all members to be increased to \$2.25 and the night allowance for members entitled thereto to be increased to \$6.

(NOTE—This does not apply to Ministers, Parliamentary Under-Secretaries, the Leader of the Opposition, Mr Speaker, or the Chairman of Committees.)

(C) Travelling Allowances and Expenses

Prime Minister, Ministers, Under-Secretaries, and their wives

The daily allowance to be increased from \$10.50 to \$12 per day or part of a day.

Leader of the Opposition

- (i) Free use of an official car in Wellington.
- (ii) Car allowance for travel outside Wellington to be up to \$1,000 per annum. If no official car available taxis may be used.
- (iii) That for travelling expenses outside his electorate the allowance be increased from \$800 to \$1,100 per annum.
- (iv) That wife of Leader of Opposition be entitled to unrestricted free air travel between her home and Wellington.
- (v) That where the Leader of the Opposition uses air travel to attend an official function and it is reasonably necessary that his wife should attend the additional air fare should be paid officially.

Mr Speaker

- (i) Unrestricted free use of official cars for local running in Wellington at any time.
- (ii) Additional free use of official cars when engaged elsewhere in New Zealand on official duties or within his electorate for wife and himself. In latter case taxis may be used if no official car available.
- (iii) Wife entitled to unrestricted air travel between her home and Wellington.

Chairman of Committees

Free use of official cars during session for local running in Wellington in connection with his official duties.

Members

Recess Meetings of Select Committees, Caucus, and Caucus Committees—Sessional allowance to be payable to members residing outside Wellington when they are in Wellington while Parliament is in recess to attend a meeting of a Select Committee or a properly notified meeting of caucus or of a caucus committee. Wellington members to receive the daily allowance when similarly engaged.

Travelling Expenses

(A) *Rail, Road, and Sea*—No change in existing provisions.

(B) *Air Travel*—

- (i) Free air travel anywhere within New Zealand on scheduled or non-scheduled flights—no free travel for charter or air taxi services.
- (ii) Wives or husbands of members to be entitled to 12 free single trips by air between their constituencies and Wellington. These trips to be available throughout the year provided the member is in Wellington on official parliamentary business.
- (iii) No change in existing provision of air travel allowance of \$50 per annum for use by member's wife or husband accompanying the member on official duties.
- (iv) If within electorate member uses air travel to attend official function in connection with parliamentary duties and attendance of wife or husband is reasonably necessary, free travel for such wife or husband not exceeding maximum of \$70 in any one year.

(C) *Travelling Expenses to and from Wellington*—

- (i) Reimbursement as would apply to public servants travelling when no public transport to nearest airport etc., available or reasonably suitable.
- (ii) Members to be given orders enabling free transport by taxi to and from point of arrival at Wellington and Parliament Buildings or residence in Wellington. Provision to apply during session and also in recess for Select Committee work or caucus, caucus committees, or official functions.

(D) *Tolls and Stamps*

Leader of the Opposition: To have same franking facilities as are available to Mr Speaker.

(E) *Typing Facilities*

- (i) One additional typist for Government and Opposition parties while Parliament in session;
- (ii) One typist for Government and Opposition parties during recess;
- (iii) Part-time shorthand and typing facilities for Leader of Social Credit Political League during session and recess.

(F) Superannuation

No changes to the existing Parliamentary Superannuation Scheme are recommended.

(G) Former Prime Minister

The existing provision for a salary allowance to former Prime Ministers be extended to provide for a Prime Minister defeated at the polls provided the two years minimum period has been served as Prime Minister.

(H) Payment to Widows of Members Dying During Term of Office

In the case of the death of a member leaving a widow or dependent children a salary payment be made equivalent to that which would have been made had the member been defeated in a general election held at the date of his death.

(I) Date of Variations

All changes in salaries and allowances to be effective from 1 April 1968.

SUMMARY OF MEMBERS' EXISTING PRIVILEGES AND SUPERANNUATION RIGHTS

<i>Member</i>	<i>Wife</i>
<i>Rail Travel</i>	
Free travel over all lines, Lake Wakatipu Steamer, and road services operated by Railways Department and free use of sleeper berths	Same as for member.
Free travel on rail-ferry (passenger only—not cars)	Same as for member.
<i>Inter-Island Steamer Travel</i>	
Free travel by Lyttelton - Wellington steamers	Same as for member.
<i>Air Travel</i>	
Free unrestricted travel anywhere in New Zealand	Six single journeys per annum to Wellington while Parliament in session. Free air travel for wife within electorate when attending functions of an official nature.

In addition, member and wife can use up to \$50 worth of air travel per annum at Government expense on routes not mentioned above.

Travel Expenses to and from Wellington

Reimbursement of expenses as would apply for public servants travelling when no public transport to nearest airport, etc. available or reasonably suitable.

Franking and Stamps

Members have—

- (a) Unlimited use of franking stamp during session for dispatch of letters, papers, etc.
- (b) \$14 worth of stamps each month except Leader of the Opposition who gets \$35 worth each month.
- (c) Member for Lyttelton receives additional \$2 of stamps each month.

Telephone and Toll Charges

One telephone free of charge in residence and free telephone in Parliament Buildings. Pays quarter only of all toll calls.

Telegrams

Special rate of 5c for first 36 words plus 1c for every four additional and plus 8c for "Urgent".

Members' Families

Unmarried members of family entitled to half-rate railway travel to visit Wellington during session.

Superannuation Rights

(i) One thirty-second part of salary as member at date contributor ceased to be a member for each year's service as a member with a maximum of two-thirds of salary:

(ii) Qualification: Nine years as a member and attaining 50 years of age or dying before 50:

(iii) Widow entitled to one-half of allowance payable to deceased husband.

(iv) Right to refund of contributions when ceases to be a member without qualifying.

(v) Provision similar to those relating to State servants made for:

(a) Dependent children on the death of a contributor; and

(b) A widower totally or partially dependent on a deceased female contributor immediately prior to her death.

(NOTE—Member's contribution, 10 percent of salary subsidised dollar for dollar by Government.)

BY AUTHORITY:

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