

1951
NEW ZEALAND

**REPORT OF ROYAL COMMISSION UPON
PARLIAMENTARY SALARIES AND
ALLOWANCES**

*Presented to the House of Representatives by Command of
His Excellency*

By Authority: R. E. OWEN, Government Printer, Wellington.—1951.

Royal Commission to Inquire into and Report upon Parliamentary Salaries and Allowances

GEORGE THE SIXTH by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas, King, Defender of the Faith.

To Our Trusty and Well-beloved Sir ARTHUR TELFORD DONNELLY, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; JOHN HENRY BOYES, Esquire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; and WILLIAM EDWARD BARNARD, Esquire: 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 We have deemed it expedient that a Commission should issue to inquire into, to report upon, and to make recommendations as to the above-mentioned salaries and allowances:

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

Sir Arthur Telford Donnelly,
John Henry Boyes, and
William Edward Barnard

to be a Commission to inquire into and report upon the salaries and allowances paid to Our Prime Minister and other Ministers 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 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

Sir Arthur Telford Donnelly,

to be Chairman of the said Commission:

And for the better enabling you to carry these presents into effect you are hereby authorized 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 direction, 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 and seals not later than the first day of May, one thousand nine hundred and fifty-one, 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 dated the eleventh day of May, one thousand nine hundred and seventeen, 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 fourteenth day of February, in the year of Our Lord one thousand nine hundred and fifty-one, and in the fifteenth year of Our Reign.

Witness Our Trusty and Well-beloved Sir Bernard Cyril Freyberg, on whom has been conferred, the Victoria Cross, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Honourable Order of the Bath, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Distinguished Service Order, Lieutenant-General in Our Army, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies, acting by and with the advice and consent of the Executive Council of New Zealand.

[L.S.]

B. C. FREYBERG, Governor-General.

By His Excellency's Command—

K. J. HOLYOAKE, For the Prime Minister.

Approved in Council—

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

Extending Period Within Which the Royal Commission Appointed to Inquire into and Report upon Parliamentary Salaries and Allowances Shall Report

GEORGE THE SIXTH by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas, King, Defender of the Faith.

To Our Trusty and Well-beloved Sir ARTHUR TELFORD DONNELLY, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; JOHN HENRY BOYES, Esquire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; and WILLIAM EDWARD BARNARD, Esquire: GREETING:

WHEREAS by Our Warrant of date the 14th day of February, 1951, issued under the authority of the Letters Patent of His Late Majesty, 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, the said

Sir Arthur Telford Donnelly,
John Henry Boyes, and
William Edward Barnard

were appointed to be a Commission to inquire into and report upon Parliamentary salaries and allowances:

And whereas by Our said Warrant you were required to report not later than the 1st day of May, 1951, your findings and opinions upon the matters thereby referred to you:

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 1st day of June, 1951, the time within which you are so required to report:

And We do hereby confirm the said Warrant and Commission save as modified by these presents.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington, this 24th day of April, in the year of Our Lord one thousand nine hundred and fifty-one and in the fifteenth year of Our Reign.

Witness Our Trusty and Well-beloved Sir Bernard Cyril Freyberg, on whom has been conferred the Victoria Cross, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Honourable Order of the Bath, Knight Commander of Our Most Excellent Order of the British Empire,

Companion of Our Distinguished Service Order, Lieutenant-General in Our Army, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies, acting by and with the advice and consent of the Executive Council of New Zealand.

[L.S.] B. C. FREYBERG, Governor-General.

By His Excellency's Command—

S. G. HOLLAND, Prime Minister.

Approved in Council—

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

Extending Period Within Which the Royal Commission Appointed to Inquire into and Report upon Parliamentary Salaries and Allowances Shall Report

GEORGE THE SIXTH by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas, King, Defender of the Faith.

To Our Trusty and Well-beloved Sir ARTHUR TELFORD DONNELLY, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; JOHN HENRY BOYES, Esquire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; and WILLIAM EDWARD BARNARD, Esquire: GREETING:

WHEREAS by Our Warrant of date the 14th day of February, 1951, issued under the authority of the Letters Patent of His late Majesty, 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, the said

Sir Arthur Telford Donnelly,
John Henry Boyes, and
William Edward Barnard

were appointed to be a Commission to inquire into and report upon Parliamentary salaries and allowances:

And whereas by Our said Warrant you were required to report not later than the 1st day of May, 1951, your findings and opinions upon the matters thereby referred to you:

And whereas by Our Warrant of date the 24th day of April, 1951, the time within which you were required to report was extended until the 1st day of June, 1951:

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 1st day of July, 1951, the time within which you are so required to report:

And We do hereby confirm the said Warrants and Commission save as modified by these presents.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington, this 30th day of May, in the year of Our Lord one thousand nine hundred and fifty-one, and in the fifteenth year of Our Reign.

Witness Our Trusty and Well-beloved Sir Bernard Cyril Freyberg, on whom has been conferred the Victoria Cross, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Honourable Order of the Bath, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Distinguished Service Order, Lieutenant-General in Our Army, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies, acting by and with the advice and consent of the Executive Council of New Zealand.

[L.S.] B. C. FREYBERG, Governor-General.

By His Excellency's Command—

S. G. HOLLAND, Prime Minister.

Approved in Council—

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

Extending Period Within Which the Royal Commission Appointed to Inquire into and Report upon Parliamentary Salaries and Allowances Shall Report

GEORGE THE SIXTH by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas, King, Defender of the Faith.

To Our Trusty and Well-beloved Sir ARTHUR TELFORD DONNELLY, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; JOHN HENRY BOYES, Esquire, Companion of Our Most Distinguished Order of Saint Michael and Saint George; and WILLIAM EDWARD BARNARD, Esquire: GREETING:

WHEREAS by Our Warrant of date the fourteenth day of February, one thousand nine hundred and fifty-one, issued under the authority of the Letters Patent of His late Majesty, dated the eleventh day of May, one thousand nine hundred and seventeen, 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, the said

Sir Arthur Telford Donnelly,
John Henry Boyes, and
William Edward Barnard

were appointed to be a Commission to inquire into and report upon parliamentary salaries and allowances:

And whereas by Our said Warrant you were required to report not later than the first day of May, one thousand nine hundred and fifty-one, your findings and opinions upon the matters thereby referred to you :

And whereas by Our Warrant of date the twenty-fourth day of April, one thousand nine hundred and fifty-one, the time within which you were required to report was extended until the first day of June, one thousand nine hundred and fifty-one :

And whereas by Our Warrant of date the thirtieth day of May, one thousand nine hundred and fifty-one, the time within which you were required to report was further extended until the first day of July, one thousand nine hundred and fifty-one :

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 twentieth day of July, one thousand nine hundred and fifty-one, the time within which you are so required to report :

And We do hereby confirm the said Warrants and Commission save as modified by these presents.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington, this twenty-ninth day of June, in the year of Our Lord one thousand nine hundred and fifty-one, and in the fifteenth year of Our Reign.

Witness Our Trusty and Well-beloved Sir Bernard Cyril Freyberg, on whom has been conferred the Victoria Cross, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Honourable Order of the Bath, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Distinguished Service Order, Lieutenant-General in Our Army, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies, acting by and with the advice and consent of the Executive Council of New Zealand.

[L.S.] B. C. FREYBERG, Governor-General.

By His Excellency's Command—

S. G. HOLLAND, Prime Minister.

Approved in Council—

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

Report of the Royal Commission upon Parliamentary Salaries and Allowances

To His Excellency Sir Bernard Cyril Freyberg, on whom has been conferred the Victoria Cross, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Most Honourable Order of the Bath, Knight Commander of the Most Excellent Order of the British Empire, Companion of the Distinguished Service Order, Lieutenant-General, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies.

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 authorizes and instructs the Commission to inquire into and report upon the salaries and allowances paid to—

1. The Prime Minister.
2. 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. 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.

The task of the Commission is difficult and delicate and is one not before given to private citizens in any country of the Commonwealth.

After consideration, we decided it was neither proper nor necessary to hold a public hearing or to ask for oral evidence from any Minister, Member, or other person. Newspaper notice was given that the Commission would accept written submissions from the public and would hear personally any one making a submission if we thought it necessary. Some statements were received and have been considered by us, but these had no information which was not otherwise available.

Our procedure in obtaining evidence has been as follows:—

1. We have obtained, and attach to this report, the following documents:—

- (a) Summaries of salaries and allowances in Great Britain, Canada, South Africa, Ceylon, and Australia in both Federal and State Parliaments.

(b) A table showing the changes in salaries of Ministers, Members, The Speaker, Chairman of Committees, and Parliamentary Under-Secretaries in New Zealand from 1867 to the present day.

(c) A comparative schedule showing the salaries paid to some Ministers and their departmental heads.

(d) A schedule showing the growth of the national economy.

2. Statements in writing have been submitted through counsel for the Commission by the Prime Minister, the Leader of the Opposition, the Honourable Mr. Bodkin, The Speaker, the Secretary to the Treasury, and the Clerk of the House. No oral evidence was given by any Minister or Member, and there has been no discussion between the Commission and any Minister or Member.

3. The statements from the Prime Minister, the Leader of the Opposition, and the Honourable Mr. Bodkin were in general terms—that is, these gave a general account of the scope and nature of the work of Members and Ministers. No suggested amounts of salaries and allowances were submitted in any of these three statements, and, in particular, neither the Prime Minister nor the Leader of the Opposition referred in any way to the work of his own office. The Commission could and would have heard personally any one who submitted statements had it been necessary so to do. The statements were full and in many respects submitted matters of common knowledge, and no oral evidence was required. We should say that the Prime Minister, from his long experience, stressed in his statement the importance and difficulties of the Leader of the Opposition and the need for a proper payment in salary and expenses to the holder of this office.

4. The Honourable Mr. Bodkin and the Leader of the Opposition did submit statements of annual expenditure supplied by fourteen representatives of city and country electorates. These statements were carefully prepared from records accurately kept. From them it appeared that Members are forced to have recourse in all cases to a part, and in some cases to the whole, of their present salaries to pay the running or overhead costs of their work. In our opinion, the present salaries and allowances are too low, and later in this report we have recommended that the salaries and allowances for every office should be increased.

May we here make as a background to this report a brief reference to the history of the payment of Members in the British parliamentary system which New Zealand has inherited from Britain and amended to suit our needs. Parliament is an institution which can only be explained or understood by looking at its past. Until the early years of this century Parliament in Britain was the domain of the amateur who had money, leisure, and position, and a Member of Parliament was not only an amateur but a part-time amateur. Politics was the prerogative of a socio-political class, and Whigs and Tories, Liberals and Conservatives, came from the same class, and the differences between them were the differences between two ribands of the same colour but of varying shades. It is true that in Britain constituencies were liable from early times for the cost of keeping their Members during sittings of Parliament, but there was no payment to Members there until 1911, just after the rise of the Labour Party. With the decay of the power of the aristocracy and the enfranchisement of the masses of the people,

first the middle classes, and later the workers, elected to Parliament members from their own ranks and in touch with their own feelings. Members then had to be paid so that they could live while they worked at what was a new profession.

In New Zealand Members have been paid for many years. Payments at first were nominal out-of-pocket expenses incurred in the performance of part-time public duties by men of property or men with their own private or business incomes. Members generally now work full time, but parliamentary salaries are still regarded by the electors with hostility and suspicion. For this reason past increases made by Parliament itself have always been belated and below what was fair in the circumstances of the time when these were made. The ordinary citizen is inclined to think that whatever his Member is paid is enough or too much, even if he does not know the amount or does not reflect upon the work that is done for the payment received.

We suggest, therefore, that the recommendations we have made should be fairly received by the community for this reason, if no other, that the citizens of those countries who to-day have no parliaments of our model would perhaps give all they have for a society whose laws are made by a free Parliament elected by a free people.

Here we wish to make these general observations :—

(1) We think that the increased volume of work, long and arduous sessions of Parliament, the modern duties and functions of the State, and the invasion by the State for good or ill of territories of human affairs formerly left to private enterprise now make demands on the time of Ministers and Members which can only be fairly met on the basis that the work is full-time professional work. We use the term "professional" in the strict ordinary sense of the word—that is, the Minister or Member gives skilled, continuous service requiring ability, training, and experience. All Ministers must abandon their private occupations so long as they hold office, and many Members must do the same.

The Minister or Member works at greater pressure and longer hours than most citizens in the constituencies.

(2) Composite and differing reasons impel men and women to leave their ordinary occupations for the dust and toil of politics, for a life in the glare of publicity in an atmosphere of criticism and dissatisfaction. It is fair to say that the dominant motive is the desire to express in the written laws of our country economic, social, and political principles which the Minister or Member believes to be in the interest of the nation or the majority of citizens.

There are as well the lures of intangible rewards, honour, prestige, and public esteem, the privileges of the House and its amenities, and the satisfaction of the exercise of power for what is thought to be the welfare of the nation.

It is not true generally that men and women go into politics for money or a job, but it is true that many past Ministers and Members after years of service have retired from office into poverty and have had to accept for themselves and their dependants annual compassionate allowances from the State. The number of these allowances and the names of some recipients would surprise and shock most citizens. A pension provision now exists under Part V of the Superannuation Act, 1947.

In making our recommendations we have had regard to the following considerations, among others:—

(1) Payments should be high enough—

(a) To ensure that men and women whose abilities would command a reasonable reward in other occupations do not lose too heavily by entering Parliament.

(b) To enable a person in any occupation to accept office as a Minister or election as a Member with no outside income or capital means. Payments should not be so high as to be the chief or only motive. We adopt a statement made in England that payments should maintain the holder of any office comfortably and honourably, but not luxuriously, while he holds his office.

(2) Payments should be fixed with proper regard to the responsibility, authority, and dignity of each office, should be related solely to the office not the person, and private or outside income should not therefore be taken into account. It should be assumed that every office is held by a man with family responsibilities.

(3) The amounts paid as salaries and allowances in other countries, especially the Federal Parliament and State Parliaments in Australia.

(4) (a) Basic economic factors such as the increased cost of living and the present value of money.

(b) Comparable payments and earnings in occupations outside Parliament.

(5) In the cases of Ministers the salaries paid to Permanent Heads of Departments; and we think that the salaries of Ministers should not be disproportionately low when compared with those of their departmental heads, some of whom at present receive twice as much, or more, than their Minister.

We make these further general observations:—

(1) In our assessments we have considered as well as we can, by way of discount as it were, that sense of public duty which is the spirit and conscience of Parliament. Our recommendations therefore are not made solely on a dry, commercial basis, and are, we think, the minimum.

(2) We have first assessed the salary for every office. In many countries large parts of parliamentary salaries are free from tax. We do not recommend the adoption of this principle because those who levy taxes should themselves pay taxes on fair salaries at the statutory rates with the statutory deductions such as those for dependants and life insurance.

(3) In the case of the ordinary taxpayer the only allowable deductions, broadly speaking, are for expenses exclusively incurred in the production of the assessable income. Ministers and Members have expenses for donations, travelling, elections, and so on which might not be legally deductible, but in the circumstances are necessarily incurred in the reasonable and traditional performance of the duties of the office. There are difficulties of practice and propriety in having these matters settled between Ministers and Members and the Commissioner of Taxes.

(4) These expenses fall into two divisions:—

(a) Those incidental to the office of Member referable to and springing from the constituency and are incurred, directly or indirectly, by Ministers as well. Ministers outside Wellington at least cannot look after their constituents, and their constituencies personally and must arrange for a party colleague to do this for them.

(b) Those incurred by Members who, except in nine electorates in and around Wellington, all live out of Wellington, who must travel both in session and recess between Wellington and their homes and who must keep two homes during the session of about twenty-two weeks average. It is common knowledge that casual or temporary accommodation in Wellington is now, and has been for a long time past, bad, scarce, dear, and, in fact, hard to find at any reasonable price.

The expenses under (a) above referred to include travelling or car expenses, if the Member has a car, when away from home on parliamentary or constituency business, social, charitable, church, sporting, and athletic subscriptions and donations, entertainment costs for constituents and other persons, costs of election where these are not paid or not fully paid by party organizations, and other smaller but recurring and not inconsiderable items.

The principle of tax-free allowance is well established, but has not been applied in the same way for all offices, which now results in inequalities and injustices. For instance, the Speaker and the Chairman of Committees receive a lesser tax-free allowance than the Member, and there is no statutory tax-free allowance for the Prime Minister and Ministers at all. We have recommended what we think to be a fair tax-free allowance for every office.

We now turn to the consideration of the various offices, none of which carries the salary or allowance of a Member:—

Prime Minister

The Prime Minister is the keystone of the parliamentary arch. His is the highest civil office in the State, and the burden of it has grown with the enormous increase in the volume, complexity, and variety of the national business. No past Prime Minister of New Zealand is now alive. He, with his Ministers, but even more than they, truly lives a public life, for wherever he goes he has no privacy. All manner of people wish to meet him. He cannot avoid giving, and receiving, much hospitality if he is to do his work. He must meet, welcome, and entertain distinguished visitors, a duty not normally possible for him to delegate. He himself pays for everything except State functions. He must make liberal, personal donations to all sorts of causes. His personal expenses are much greater than the business man, who can limit his hospitality to his friends and associates. His present salary is £1,800, subject to income-tax. In 1873 the salary was £1,750, and in 1920, £2,000. He is entitled to a ministerial residence assessed at £200 for income-tax purposes or to a house allowance of £300, also subject to income-tax. When travelling on public business he receives £3 3s. per day expenses, and by virtue of his office has free cars, secretarial assistance, and free postage. He receives approximately

one-quarter of the salary of the Prime Minister of Canada, one-third of the salary of the Prime Minister of Australia, less than the Premier of any Australian State or the Prime Minister of South Africa.

In other countries a special residence is provided furnished and staffed by the State for the Prime Minister and distinguished visitors. As one Prime Minister moves out his successor moves in. The problems of the age and the aeroplane have brought the statesmen of the world together more often for conference and discussion and have increased enormously the responsibility and personal expenses of the Prime Minister.

We recommend that the salary of the Prime Minister should be increased to £3,000 with a tax-free allowance of £1,000 for the expenses of his office and the ministerial house, or allowance in lieu thereof, together with the other allowances as at present, except the allowance later recommended for Members.

Ministers

What has been said of the office of Prime Minister applies in principle but in a lesser degree to Ministers, whose present salary is £1,170, with the same house and other allowances as the Prime Minister. Of the salary, £250 under the authority of the Commissioner of Taxes is deductible as an expense allowance.

There have been great changes in the powers, functions, and duties of the State in modern times, and now the capital value of the property and undertaking under the control of a Minister is vast indeed. For instance, the Railways have a capital of over £81,000,000 and an annual expenditure of over £20,000,000. The expenditure on public works last year was over £31,000,000. The Forestry Department has over 9,000,000 acres of national forests. The Public Trustee administers estates of a value of over £58,000,000. Although the Permanent Head and his staff manage and supervise the undertakings, the responsibility for major decisions is that of the Ministers.

Ministers work long hours under great strain all the year round, mostly without leisure or respite. In a democracy public trading businesses are managed in the open, on the house-tops as it were, and Ministers have to do their work and defend it while they do it.

The office of Minister is fairly comparable with the work of a professional man of good standing, or the manager or managing director of a large business.

Ministers must live in Wellington, and some of them keep up their residence in their electorate against the day of their retirement.

Like the Prime Minister, but to a lesser degree, they have to make donations and give subscriptions. They must not lose touch with their electorate, and have some at least of the expenses of Members in relation to their electorates.

It has also to be remembered that Ministers who are directors of public Companies usually resign their directorates when they assume office to avoid any conflict between their private and public interests. This is a substantial sacrifice in some cases.

Ministers are provided with a residence or are given an allowance of £300 a year in lieu thereof, and the allowance or the assessed value of the residence is subject to income-tax. A daily allowance of £3 3s. per day is paid to Ministers when travelling on official business.

Ministers, and the Minister of External Affairs to a much greater extent, have expenses for entertainment which accompany the office and must be met if the Minister is to do credit to himself and the country.

There are three Ministers without Portfolio whose duties are substantially the same as Ministers, but because of the lesser status and responsibility we think their salaries should be less.

We recommend that the salaries of Ministers should be increased to £2,000, with a ministerial house or with the house allowance of £300 where no house is provided.

We recommend an expense allowance of £450. Travelling allowance on official business should remain as at present.

We recommend that the salaries of Ministers without Portfolio should be £1,650, with an expense allowance of £400. There should be the same house and travelling allowances as for Ministers.

We think that the expense allowance of the Minister of External Affairs should be higher than that of other Ministers. We therefore recommend that where this office is held by a Minister other than the Prime Minister the expense allowance should be increased by a further sum of £150.

Executive Council

At present there is no Member of the Executive Council who is not a Minister, and it is therefore unnecessary to make any separate recommendation for Members of the Executive Council.

Parliamentary Under-Secretaries

This office was first set up in 1936, and the present salary is £900, with the same house provision or allowances as for Ministers and travelling allowance the same while engaged on official business. Under-Secretaries may, and frequently do, hold office in relation to more than one Minister. Under the direction of their Minister or the Prime Minister, they may exercise the powers and functions of the Minister. They are responsible for much of the detail work of Government and, on occasions, for matters of policy. Their work is full time and they must live in Wellington.

We recommend that the salary of a Parliamentary Under-Secretary should be £1,250, with the same house allowance and travelling expenses as for a Minister, and we recommend an expense allowance of £350 per annum.

The Speaker

Present salary £1,000, with an expense allowance of £200, which is £50 below that of Members, although his expenses are very much greater. This is an office of high honour and great responsibility.

Through the Speaker, Parliament, as distinct from the Government, acts. He is the direct link between Parliament and the Governor-General, and he is the guardian and protector of the rights and privileges of Parliament and the private Member. He must attend every day when Parliament is sitting, and he has to entertain and attend and give official functions. He controls at all times the activities of the House of Parliament, and as he cannot attend personally to the needs of his constituents while Parliament is sitting he must do this during the recess. Residential quarters are provided in Parliament House.

We recommend a salary of £1,600, with an expense allowance of £500 and the residential quarters as at present.

Chairman of Committees

The present salary is £750, with an allowance of £150 for expenses.

Like the Speaker, he must be in attendance while Parliament is sitting, he takes the place of the Speaker when that is necessary, and has special duties in respect of private Bills. He presides over all meetings of the House when it is in Committee.

We recommend a salary of £1,300, with an expense allowance of £350.

Leader of the Opposition

At present, in addition to his salary and allowance as a Member, he receives £200 per annum for clerical expenses and up to £150 per annum for the hire of official cars. This office is comparable with that of a Minister rather than an ordinary Member. The work of the Leader occupies all his time during the recess and compels him to travel regularly through the Dominion.

It is an office of great importance in our parliamentary system, where, to balance a commanding Cabinet and Government party, there must be a united and challenging Opposition. A Cabinet is strengthened and not weakened by the presence of a strong Opposition. A great English authority says, "It has been the absence of an organized and coherent opposition no less than the absence of strong Cabinets which has weakened democratic governments in a number of European countries."

In his statement the Prime Minister said that during his period as Leader of the Opposition his total salary was not enough to meet one-half of the cost of his staff. The Leader of the Opposition, to carry out his duties, must have an adequate staff.

We recommend a salary of £1,600 and an expense allowance of £400.

We recommend, further, that a full-time Secretary and a typist should be provided by the State and selected by the Leader. He has to travel over the Dominion, and we recommend that he should have an allowance for travel outside his electorate of £150. His letters, telegrams, and toll calls far exceed those of the Member, and we recommend that his official stamp allowance should be increased to £10 per month.

Members

We have stated earlier in our report the matters and principles we have considered in the assessment of salaries for all offices, including Members.

The only further fact we wish to mention is that, as is shown in the summary attached to this report, the New Zealand Member is worse paid by far than in Britain, Canada, South Africa, the Federal Parliament of Australia, or any Australian State.

The salary of Members at present is £500 per annum, plus £250 as a tax-free allowance.

Members have certain travel facilities for themselves and their families on railways, road services, steamers, and by air. They have postal, telephone, and telegraphic concessions and allowances.

We now make some general reference to the work of Members:—

- (a) During the session;
- (b) During the recess.

(a) During the session Members have no forty-hour week. Their average day starts early in the morning and lasts till late at night. The mornings are spent in attending Select Committees, interviewing Ministers and Departments on behalf of constituents, studying Bills, parliamentary papers and reports, and preparing speeches. Party caucuses to consider current legislation are often held during the lunch and tea adjournments. When contested legislation is before the House urgency is sometimes taken and the House sits late, perhaps all night.

Letter writing is a burden to every Member. There are letters from constituents about Bills, pensions, social security benefits, State houses, building permits, import licences and jobs, appeals for money, invitations to open shows and bazaars, to attend meetings and lunches, letters from local bodies and trade and sports associations.

A Member's normal mail may be between ten to twenty letters daily, and typists are not provided as in other countries, so replies are written by hand unless the Member provides his own typist. It was stated to us that it is not uncommon for a Member to write by hand as many as sixty letters during the week-end, when correspondence is usually answered.

(b) During the recess a Member is expected to visit his whole electorate. He must know his electors and their problems and move freely among them. He must be able to discuss with and advise his constituents about State regulations and departmental practice which may affect them or their interests. A car is an essential tool of trade for a country Member and most town Members, too. In rural electorates the mileage travelled by Members on the business of the electorate varies with its size and characteristics from 8,000 to 14,000 miles a year. No commercial concern or local body would ask any of its employees to work as long hours as a Member and pay out of his income most of his travelling expenses over and above the value of the use he is permitted to make of the railways and the State road services.

We are satisfied that the expenses of most Members solely referable to the nature and circumstances of their office exceed the present allowance of £250, and in practically all cases take a varying but substantial part of the salary. On the figures submitted to us in some cases no salary at all was left.

Members without other means do not live in luxury in Wellington during the session. Some share a room in apartment houses and have their meals in Bellamy's.

We recommend that the salary of Members should be increased to £900.

Allowance for Expenses

We make the following recommendation as to expense allowances for Members:—

(1) That a basic allowance of £250 be paid to all Members irrespective of the size of their electorate or whether they have to travel to Wellington for the session or not.

(2) That in addition to the basic allowance in (1) above a sessional accommodation allowance of £150 p.a. should be paid to all Members living outside Wellington to cover the cost of their board and lodging during the session and the extra costs of their travelling to and from their homes to Wellington. The recommendation

applies to all electorates except Onslow, Hutt, Petone and the six electorates within the Wellington city area. It is a bare minimum allowance and we believe that no Member can save money on it.

(3) That electorates be placed in three classes as follows:—

- (a) Wholly or substantially urban electorates.
- (b) Partly urban, partly rural electorates.
- (c) Predominantly rural electorates.

To meet the higher travelling and other expenses for Members for electorates in classes (b) and (c) we recommend that payment of an additional sum of £75 to the basic allowance of £250 be made to Members for electorates in class (b) and for Members for electorates in class (c) an additional allowance of £150 to the basic allowance of £250.

The Representation Commission every five years alters and fixes, in accordance with changes in population, the boundaries of electorates and has an intimate knowledge of every electorate. The expenses referable to an electorate vary with the size, topography, transport facilities, the nature of the roads, and the distribution of the population.

We recommend that the Representation Commission should be asked to classify electorates as (a), (b), and (c), and in doing so should give consideration to the factors just referred to and such other matters as it thinks proper.

(4) We think the present allowance for stamps is insufficient and should be increased for all Members from £3 a month to £4 a month, except for the Leader of the Opposition, for whom we have already recommended a special increase.

Conclusion

May we quote in conclusion what Mr. Churchill said in the House of Commons on Victory Day, 1945: "The strength of the parliamentary institution has been shown to enable it at the same moment to preserve all the title deeds of democracy while waging war in the most stern and protracted form."

It is the fashion to find fault with Parliament and its management and administration, and, as in any other human institution, there are faults and shortcomings, but now and then it should be said that there is more to be thankful for than to criticize. Won by the devotion and sacrifice of generations through the long years of British history, that which we call Parliament now stands as one of the two citadels of human freedom in the Commonwealth and those democratic countries whose constitutions are patterned on, or derived from, our own.

We live in a broken, tortured world, split by two opposing opinions as to the best way to make laws and interpret and administer them. In our lifetime there have been two great wars fought in defence of our moral and political belief that laws should be made by a free parliament elected by a free people and applied and interpreted by independent and impartial Judges and Magistrates not under executive or parliamentary influence or control.

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

A. T. DONNELLY, Chairman.

J. H. BOYES, Member.

W. E. BARNARD, Member.

Wellington, N.Z., 10th July, 1951.

SUMMARY OF RECOMMENDATIONS**Executive***Prime Minister—*

Salary	£	3,000
Expense allowance		1,000

Ministers—

Salary	2,000
Expense allowance	450

NOTE.—Where the ministerial office of Minister of External Affairs is held by a Minister other than the Prime Minister an additional expense allowance of £150 to be paid.

Ministers without Portfolio—

Salary	1,650
Expense allowance	400

Parliamentary Under-Secretaries—

Salary	1,250
Expense allowance	350

Officers of the House*Mr. Speaker—*

Salary	1,600
Expense allowance	500

NOTE.—Residential quarters and certain services are provided in Parliament House for Mr. Speaker.

Chairman of Committees—

Salary	1,300
Expense allowance	350

NOTE.—Sessional sleeping-quarters are provided in Parliament House for the Chairman.

Leader of the Opposition

Salary	1,600
Expense allowance	400
Allowance for travel outside electorate arising from his official position	150

Clerical assistance: a Secretary and a typist (each on a full-time basis) to be provided by the State on the nomination of the Leader.

Official stamp allowance to be increased to £10 per month.

Members

	£
Salary	900
Expense allowance	£250-£550 according to classification of electorate.

Per
Annum.
£

NOTES:—

- | | |
|---|-----|
| 1. A <i>basic expense allowance</i> payable to all Members of | 250 |
| 2. A <i>sessional accommodation allowance</i> payable to all Members other than those representing Onslow, Hutt, Petone, and the six electorates in or around the Wellington City area of | 150 |
| 3. A <i>special additional allowance</i> payable to Members representing "B" class electorates to meet additional travel costs of | 75 |

or,—

A *special additional allowance* payable to Members representing "C" class electorates to meet the extra travel costs involved of

150

The classification of electorates to be made by the Representation Commission which has a detailed knowledge as to area, population, topographical features, &c.

Official Stamp Allowance

The official stamp allowance authorized by section 151 of the Public Revenues Act, 1926 (as amended by section 14 of the Finance Act, 1940), to be increased in the case of all Members, other than the Leader of the Opposition, from £3 per month to £4 per month.

SCHEDULE A

**DETAILS OF SALARIES AND ALLOWANCES AND
OTHER PRIVILEGES OF MEMBERS OF OTHER
COMMONWEALTH PARLIAMENTS**

United Kingdom*Salaries and Allowances—*

Prime Minister: £10,000 (£4,000 of which is tax-free).

Ministers: £3,000-£5,000.

Assistant Postmaster-General: £1,500.

Parliamentary Under-Secretaries: £1,500-£3,000.

Junior Lords of Treasury: £1,000.

Speaker: £5,000.

Leader of Opposition: £2,000 + £500.

Member: £1,000 (£500 of which is tax-free).

Travel: Free travel between home and Westminster.

Secretarial Expenses: Members have access to a typing pool at Westminster.

Canada*Salaries and Allowances—*

Prime Minister: £5,199 + sessional allowance of £1,386 + expense allowance of £693 + motor-car allowance of £693 = £7,971.

Ministers: £4,852 + sessional allowance of £1,386 + expense allowance of £693 + motor-car allowance of £693 = £7,624.

Speaker: £2,080 + house allowance of £1,040 + sessional allowance of £1,386 + expense allowance of £693 + motor-car allowance of £347 = £5,546.

Leader of Opposition: £4,852 + sessional allowance of £1,386 + expense allowance of £693 + motor-car allowance of £693 = £7,624.

Member: £1,386 + tax-free expense allowance of £693 = £2,079.

Australian Federal*Salaries and Allowances—*

Prime Minister: £5,000.

Ministers: £2,500-£3,000.

Speaker: £3,100.

Leader of Opposition: £1,500 + clerical assistance allowance of £600 per annum = £2,100.

Member: £1,500.

Leader of Third Party: £1,500 + clerical assistance allowance of £400 per annum = £1,900.

Travel: Free rail travel on all Australian railways. One return trip per week by air between home and capital.

Secretarial Expenses: Clerical assistance provided free in Capital, and Member may employ a Secretary-Typist at £515 per annum in his electorate, office and equipment being supplied by Commonwealth Government.

Postages and Telegrams: Stamps to value of £8 per month supplied.

Residence in Capital: Lodging allowance to all Members of £1 2s. 6d. per day during session.

Queensland*Salaries and Allowances—*

Premier: £3,025 + entertainment allowance of £300 = £3,325. (£150 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

Ministers: £2,575 (£150 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

Speaker: £2,125* (£150 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

Chairman of Committees: £1,625* (£100 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

Whips: £1,475* (£100 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

Queensland—continued*Salaries and Allowances—continued*

Leader of Opposition: £1,875* (£100 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

Members: £1,375* (£100 is free of tax for travelling expenses, and an amount for depreciation on equipment.)

* These salaries subject to addition of tax-free travelling allowance up to £150 (according to scale).

Travel: Free rail travel on all Australian railways and six return trips by air between home and Brisbane.

Telephones: Country members receive £20 telephone allowance; city members £10 (tax-free).

Postages and Telegrams: Tax-free stamp allowance of £50 per annum (except to Ministers and Speaker).

Residence in Capital: Private members receive £13 per annum lodging allowance.

New South Wales*Salaries and Allowances—*

Premier: £2,945 + Tax-free entertainment allowance of £500 = £3,445.

Attorney-General: £2,595.

Vice-President of Executive Council: £2,445.

Speaker: £2,175.

Chairman of Committees: £1,615.

Members: £1,375.

Leader of Opposition: £1,375 + expense allowance of £500 + allowance for clerical assistance of £1,346 = £3,221.

Whips: £1,375 + expense allowance of £250.

Travel: All Australian railways.

Clerical Assistance provided free.

Postages and Telegrams: £3 15s. per month.

General: Premier receives rail pass for life after one year as Premier, and Ministers after three years.

Victoria*Salaries and Allowances—*

Premier: £2,750–£3,000 + entertainment allowance of £500 = £3,250–£3,500.

Ministers: £2,250–£2,450 + entertainment allowance of £100 = £2,350–£2,550.

Non-salaried Ministers: £1,500–£1,600 + cost-of-living allowance of £108 = £1,608–£1,708.

Speaker: £1,500–£1,600 + entertainment allowance of £150 = £1,650–£1,750.

Chairman of Committees: £1,300–£1,400.

Whip: £1,100–£1,200 + cost-of-living allowance of £108 = £1,208–£1,308.

Parliamentary Secretary to Cabinet: £1,400–£1,500 + cost-of-living allowance of £108 = £1,608.

Leader of Opposition: £1,550–£1,650 + cost-of-living allowance of £108 = £1,658–£1,758.

Victoria—continued*Salaries and Allowances—continued*

Leader of Third Party: £1,400–£1,500 + cost-of-living allowance of £108 = £1,508–£1,608.

Members: £1,050–£1,150 + cost-of-living allowance of £108 = £1,158–£1,258.

Salaries vary according to whether electorate represented is country or urban—greater salary for country electorate.

Travel: Rail travel on all Australian railways, and free on Melbourne trams.

Postages: Metropolitan members, £26 14s.; country members, £58 13s.; Speaker, £20 additional.

South Australia*Salaries and Allowances—*

Premier: £2,000.

Ministers: £1,750.

Speaker: £1,300–£1,375.

Chairman of Committees: £1,100–£1,175.

Leader of Opposition: £1,200–£1,275.

Members: £900–£975.

(Chairman and Members of various Select Committees receive additional remuneration and also £1 1s. for each sitting of a Committee.)

Tax deductions: £100 per annum plus £100 in election year.

Travel: Rail travel on all Australian railways—sea travel if no rail, two return trips for wife on Australian railways; and tram and bus passes over Adelaide lines. Free sea travel if no rail connection.

Postages: £1 5s. per month plus franking privileges.

Western Australia*Salaries and Allowances—*

Premier: £2,640–£2,690.

Ministers: £2,390–£2,440.

Members: £1,140–£1,190.

Speaker: £1,540–£1,590.

Chairman of Committees: £1,340–£1,390.

Leader of Opposition: £1,640–£1,690.

Salary varies according to whether the electorate represented is classed as metropolitan or country.

Basic salary for a private Member is £1,000 for metropolitan Members and £1,050 for country Members. To these figures is added the variation in the basic wage as determined by the State Court of Arbitration. The variation allowable at present is £140.

Travel: Free rail travel on all Australian railways.

Tasmania*Salaries and Allowances—*

Premier: £2,000 + entertainment allowance of £350.

Ministers: £1,450 or £1,750.

Speaker: £1,250–£1,450.

Tasmania—continued*Salaries and Allowances—continued*

Chairman of Committees: £1,100—£1,300.

Members: £850—£1,050.

Leader of Opposition: £1,350—£1,550.

Ministers' travelling allowance £2 2s. per day within Tasmania and £3 3s. per day when outside the State.

Members also receive £1 1s. for out-of-pocket expenses when meetings of Select Committees are held in their home town, or £1 5s. per day otherwise.

South Africa*Salaries and Allowances—*

Prime Minister: £4,000.

Ministers: £3,000.

Speaker: £2,500.

Deputy Speaker and Chairman of Committees: £1,500.

Deputy Chairman of Committees: £1,200.

Members: £1,000.

Leader of Opposition: £2,000.

Income-tax exemptions: £1,200 for Prime Minister, Ministers, and Speakers; £700 for others.

Travel—

Free rail and road travel.

Reduced rate for sea travel.

One free return trip by rail to Cape Town for wife and family each session, and reduced air fare.

Postages and Telegrams: Franking privileges during session and certain franking privileges in recess.

Telephones: Six minutes free toll-call conversation per week.

Ceylon*Salaries and Allowances—*

Prime Minister: £1,350 + entertainment allowance of £1,350 + free motor-car and £938 for upkeep + two houses and staff and £545 for upkeep = £4,183, and travelling allowance of 18s. 9d. per day.

Ministers: £1,350 + entertainment allowance of £450 = £1,800, and travelling allowance of 18s. 9d. per day.

Parliamentary Secretaries: £900.

Speaker: £1,350 + house and staff and £255 for upkeep + entertainment allowance of £750 + free motor-car and £288 for upkeep = £2,613.

Deputy Speaker: £900.

Deputy Chairman of Committees: £900.

Leader of Opposition: £540.

Members: £540.

Travel: Free rail travel and third-class pass for servant. Air travel from home to attend Parliament.

Postages and Telegrams and Toll Calls: All free,

SCHEDULE B

TABLE SHOWING CHANGES IN SALARIES OF MINISTERS, MEMBERS, ETC.

Authority.	Prime Minister.	Ministers.	Speaker.	Chairman of Committees.	Parliamentary Under-Secretaries.	Members.
Legislative Officers Salaries Act, 1867 ..	..	..	£600	£400	..	..
Civil List Amendment Act, 1873 ..	£1,750	£1,250 + house or £150 and travelling allowance of £2 2s. per day	..	..	..	..
Parliamentary Honorarium and Privileges Act, 1884 ..	..	..	..	..	..	£210 per session (or £140 if living within 3 miles of Wellington).
Ministers' Salaries and Allowances Act, 1887 ..	£1,000	£800 + house or £200 and travelling allowance of £1 10s. per day	..	..	..	..
Parliamentary Honorarium and Privileges Act 1884 Amendment Act, 1887 ..	..	..	..	..	..	£100 + £50 (or £25 if living within 3 miles of Wellington).
Payment of Members Act, 1892 ..	..	..	..	..	..	£240 p.a. from 1/1/1893.
Ministers' Salaries and Allowances Amendment Act, 1900 ..	£1,600	£1,000 + house or £200 and travelling allowance £1 10s. per day	..	..	..	..
Payment of Members Act, 1904 ..	..	..	..	..	..	£300
Legislative Officers' Salaries Act Amendment Act, 1906 ..	..	..	£800	£500	..	..
Civil List Act, 1920 ..	£2,000	£1,300 + house or £200 and travelling allowance £2 per day	£1,000	£750	..	£500
Public Expenditure Adjustment Act, 1921-22 (10 per cent. deduction from 1/1/22) ..	£1,800	£1,170 + house or £200 and travelling allowance £2 per day	£900	£675	..	£450
Finance Act, 1927 ..	..	..	£900 + £100 tax-free allowance	..	..	..
Finance Act, 1931 (Further 10 per cent. reduction from 1/4/31) ..	£1,620	£1,053 + house or £200 and travelling allowance £2 per day	£810 + £100 tax-free allowance	£607 10s.	..	£405
National Expenditure Adjustment Act, 1932 (Further reduction of 15 per cent. for Ministers and 10 per cent. for others) ..	£1,522 16s.	£895 1s. + house or £200 and travelling allowance £2 per day	£708 15s. + £100 tax-free allowance	£546 15s.	..	£364 10s.
Finance Act (No. 2), 1934 (5 per cent. restoration) ..	£1,598 18s. 10d.	£939 10s. + house or £200 and travelling allowance £2 per day	£744 3s. 9d. + £100 tax-free allowance	£574 1s. 9d.	..	£382 14s. 6d.

Finance Act, 1935 (Further restoration of 7½ per cent.)	£1,718 17s. 9d.	£1,010 5s. 8d. + house or £200 and travelling allowance £2 per day	£500 + £100 tax-free allowance	£615 12s. 10d.	..	£411 8s. 7d.
Finance Act, 1936 (restoration to salaries in force before 1/4/31 from 1/7/36)	£1,800	£1,170 + house or £200 and travelling allowance £2 per day	£900 + £100 tax-free allowance	£375	..	£450
Civil List Amendment Act, 1936 .. ..	..	..	..	..	£600 + house or £200 and travelling allowance £2 per day	..
Finance Act (No. 3), 1944 .. ..	..	..	£1,000 + £100 tax-free allowance	£750 + £150 tax-free allowance	£800 + house or £200 and travelling allowance £2 per day	£500 + £250 tax-free expense allowance.
Finance Act, 1949 .. ..	..	..	£1,000 + £200 tax-free allowance	..	..	..
Civil List Act, 1950 .. ..	..	£1,170 + house or £300 and travelling allowance £3 3s. per day, (Ministers without Portfolio £1,000 + house or £300 and travelling allowance £3 3s. per day)	£1,000 + £200 tax-free allowance	£750 + £150 tax-free allowance	£900 + house or £300 and travelling allowance £3 3s. per day	..

SCHEDULE C

COMPARATIVE SCHEDULE SHOWING THE SALARIES PAID TO CERTAIN MINISTERS AND THEIR PERMANENT HEADS

Department.	1873.		1887.		1900.		1920.		1936.		1950.	
	Permanent Head.	Minister.	Permanent Head.	Minister.	Permanent Head.	Minister.	Permanent Head.	Minister.	Permanent Head.	Minister.	Permanent Head.	Minister.
	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.	£ p.a.
Lands and Survey	1,250	600	800	750	1,000	1,100	1,300	1,100	1,170	1,600	1,170
Post Office	1,250	700	800	700	1,000	1,250	1,300	1,400	1,170	1,975	1,170
Public Trust	1,250	800	800	800	1,000	1,250	1,300	1,400	1,170	1,725	1,170
Public Works	1,250	800	800	650	1,000	1,100	1,300	1,400	1,170	2,250	1,170
Railways	1,250	1,000	800	1,000	1,000	3,000*	1,300	1,500	1,170	1,975	1,170
Treasury	1,250	..	800	750	1,000	1,150	1,300	1,650	1,170	2,500	1,170

* Special appointment.

SCHEDULE D

ILLUSTRATING THE GROWTH OF THE NATIONAL ECONOMY

Population (including Maoris)

1874	..	344,984
1890	..	662,749
1950	..	1,921,000

National Income

		£(Millions).
1893	..	27·28
1939-40	..	212·1
1949-50	..	472·7

Number of Civil Servants

1871	..	1,416
1907	..	28,177
1912	..	35,797
1949	..	96,000 (as at 1st April, 1949)

National Revenue

		£
1890	..	4,267,000
1949-50		172,000,000

*Value of Production of Physical Goods
(Exclusive of Services, &c.)*

		£(Millions).
1900-01	..	33·9
1910-11	..	53·4
1919-20	..	92·4
1929-30	..	120·5
1939-40	..	144·8
1949-50	..	320

RETAIL PRICES INDEX

Taking the Retail Prices Index Number of 1000 for the March quarter of 1949 as a base, the figures for the last forty years may be expressed as follows:—

1910	..	..	..	..	441
1920	..	..	..	..	770
1930	..	..	..	..	741
1940	..	..	..	..	782
1950	..	..	..	..	1066

1951
NEW ZEALAND

PUBLIC SERVICE SUPERANNUATION BOARD

(FORTIETH ANNUAL REPORT OF THE), WITH ACCOUNTS, FOR THE FINANCIAL
YEAR ENDED 31st MARCH, 1948.

*Laid Upon the Table of the House of Representatives Pursuant to the Provisions of the Public
Service Superannuation Act, 1927*

REPORT

THE Board has the honour to submit its report upon the transactions in connection with the Public Service Superannuation Fund for the year ended 31st March, 1948—the last year of its operations.

Under the provisions of the Superannuation Act, 1947, the Public Service Superannuation Fund, together with the Teachers' Superannuation Fund and the Government Railways Superannuation Fund, have been abolished, and as from the 1st April, 1948, all these funds have been amalgamated in the Government Superannuation Fund.

During the late World War and post-war period the staff of the Board was considerably depleted, with the result that practically the only phase of the operations which was kept up to date was the payment of retiring-allowances and annuities to widows, the posting of contributions to contributors, records, and statistical work having through force of circumstances been left in abeyance until sufficient staff of a suitable calibre became available.

The greater the accumulation of arrears of work, the more difficult became the process of bringing the position under control, and the situation became even more difficult with the amalgamation of the three former Superannuation Funds, for under the Superannuation Act, 1947, provision was made under which many thousands of Government employees were permitted to become contributors in respect of anything up to forty years' service.