

1944  
NEW ZEALAND

# COMMITTEE ON DUTIES, RESPONSIBILITIES, AND REMUNERATION OF MEMBERS

(REPORT OF THE)

(Hon. F. W. SCHRAMM, Chairman)

*Laid on the Table of the House of Representatives*

## ORDERS OF REFERENCE

*Extracts from the Journals of the House of Representatives*

THURSDAY, THE 16TH DAY OF MARCH, 1944

*Ordered*, "That for the remainder of the session all Select Committees of the House have leave to sit on days on which the House is not sitting."—(Right Hon. Mr. FRASER.)

TUESDAY, THE 10TH DAY OF OCTOBER, 1944

*Ordered*, "That a Select Committee be appointed, consisting of ten members, to inquire into and report upon the duties and responsibilities of members of the House of Representatives under more recent developments in the social and economic structure of the Dominion, the inquiry to include a review of the provisions made in the Civil List Act, 1920, or other Acts for payment to members, and for travel and other facilities, and to deal with any anomalies that arise owing to the differing character of the electorates and the varying liabilities of members in their attendance on the House: the Committee to consist of Hon. Mr. Speaker, Mr. Atmore, Mr. Bodkin, Mr. Broadfoot, Rev. Clyde Carr, Mr. Cullen, Mr. Hackett, Mr. Holyoake, Mr. Oram, and the Mover."—(Hon. Mr. NASH.)

## REPORT

THE Committee has examined the Order of Reference, and submits the following report and recommendations for consideration of the House:—

(1) That in 1920 the honorarium of members of the House of Representatives was £500 per annum and that of members of the Legislative Council £350 per annum.

(2) That in 1922 the honorarium was, with other honoraria and salaries paid by the Government, reduced by 10 per cent. to £450 per annum and £315 per annum respectively.

(3) That, with other payments by the Government, the honorarium has varied between 1922 and the present date, but with minor exceptions all other rates of remuneration, with the exception of the Civil List payments, have been restored to the 1920 rates.

(4) That the actual sittings of Parliament have been extended.

(5) Special parliamentary Committees on matters of national importance have been set up on which members are required to sit without extra remuneration.

(6) That changed conditions of Government and constituency duties, particularly under the conditions of war, are such that members of Parliament are required to devote their full time to the work.

(7) That membership of Parliament should not be confined to citizens with unearned income sufficient to meet the expenditure required for maintenance of home and social life, irrespective of parliamentary honorarium.

(8) That, to ensure freedom of judgment of members, the payment for full-time services should be made from Government funds appropriated by Parliament.

(9) That it is undesirable for the honoraria of members of Parliament to be supplemented from outside sources.

(10) That the time used by members in travelling and the distances covered have been considerably extended.

(11) That the travelling-expenses by car at 6d. per mile of members varies from £60 to £300 per annum.

(12) That the requirements of legislative, parliamentary work, and electorate needs have so changed that expenses incurred by members in some cases exceed more than two-thirds of the amount received, and in one case it was stated that the net honorarium received by a member after meeting expenses did not exceed £100 per annum.

(13) That, on the information already available, it appears that the present net income of many members of Parliament does not exceed £200 per annum out of which £37 10s. is deducted for national and social security charges on an assessed income of £300 per annum.

(14) That the Commissioner of Taxes, on evidence submitted, has allowed a deduction to cover disbursement of members for living and hotel expenses during the sittings of Parliament of £150 per annum, and that this sum, although recognized as incurred expenditure, has had to be met by the members from their honoraria.

(15) That the allowance of £150 per annum referred to above was determined in 1928, since when the expenditure has increased through many causes, but in particular the extension of the length of sessions of Parliament.

(16) That, in addition to the sessional allowance, the Commissioner of Taxes has allowed to members in rural areas as deduction from assessable income a further sum to cover expenses proved to have been incurred in travelling in their own electorates.

(17) That, in addition to expenses incurred whilst travelling in their own electorates and whilst absent from home during sittings of the House, the present-day needs of electorates entail visits by members to Wellington, for which no allowance is made for expenses incurred.

(18) That the short payment of some members has been recognized for some years, but has been met for some time by the reduction in pay of Cabinet Ministers and the distribution of this sum amongst ordinary Government members of Parliament.

(19) That the financial position of many members has become intolerable has been recognized for some time. The reluctance to take action has been due to the need for maintaining stabilization and the desire of the Government not to increase the remuneration during the war. The position now reached is such that to maintain the membership of Parliament and to reduce the hardships incurred on members and their families it is essential that some action be now taken.

(20) The changed conditions of to-day warrant the payment of a reasonable remuneration to a member of the House of Representatives to compensate for full-time services in addition to all expenses incurred in connection with the office.

(21) That the honoraria paid in other English-speaking countries are as follows:—

	£(N.Z.)
United Kingdom .. .. .	750
Australia .. .. .	1,000
Canada .. .. .	1,133
United States of America .. .. .	3,050

The Committee recommends that to meet the circumstances of war and present conditions—

(1) Members of the House of Representatives be paid an allowance to cover the extra living expenditure incurred—

(a) When absent from home during sittings of Parliament:

(b) When travelling in their own electorates on necessary Parliamentary work:

(c) When visiting Wellington during the recess or adjournment of Parliament on constituency business:

(2) That, accepting the difficulty of assessing the sum required to reimburse members the actual expenses incurred whilst absent from home on parliamentary duties, the Committee is of opinion that an allowance of £250 per annum should be made to members of the House of Representatives on account of such expenses.

(NOTE.—The standard practice in connection with persons in like circumstances to members of Parliament who attend Committees, &c., on direction of the Government is to provide an expenses allowance of 25s. per day.)

(3) That payment should be provided for each member of the Cabinet at the rate at present provided in accord with the Civil List Act, 1920.

(NOTE.—The present Civil List Act makes provision for an overall sum for the payment of ten members of Cabinet; the payment to the extra members of the ordinary Cabinet has, since 1935, been provided by reducing the sum paid to each member.)

(4) That legislation be submitted to Parliament this session to provide for—

(i) Payment of an honorarium to members of the House of Representatives of £500 per annum and to members of the Legislative Council of £375 per annum, and of other members holding special offices to the rates ruling in 1920, providing, as far as possible, the present margin between ordinary members and the respective officers.

(ii) Members of the House of Representatives to be paid an allowance of £250 per annum to cover expenses incurred in connection with their Parliamentary duties.

(iii) Payment to members of the Cabinet to remain as at present, subject to provision being made for each member of the Cabinet to receive the ruling rate provided in the Civil List of £1,300, less 10 per cent. (£1,170).

(iv) That these recommendations be adopted for the period of the war, and that fuller consideration be given to the remuneration of members of Parliament after the conclusion of hostilities.

In the opinion of the Committee the report should be referred to the Government for most favourable consideration.

F. W. SCHRAMM, Chairman.

12th December, 1944.

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