



REVIEW OF MEMBERS OF PARLIAMENT SALARIES AND ALLOWANCES 2023/24

30 April 2024

ACKNOWLEDGEMENTS

The Remuneration Authority wishes to acknowledge the assistance provided with this review by several agencies and people: the staff of Parliamentary Service who provided, on behalf of the Speaker of the House of Representatives, substantial material in a very timely manner that assisted the calculation of personal and potential personal benefit to members of Parliament of services provided; the staff of Ministerial Services, who supported the Minister Responsible for Ministerial Services, to provide similar material, in a similar timely manner, that assisted the calculation of personal and potential personal benefit to Ministers of services provided; and the Commissioner of Inland Revenue's staff who provided prompt and helpful advice relating to the Authority's questions relating to the tax status of various components of this review. The Authority is very appreciative of that assistance.

I take the opportunity to thank the small number of individuals and organisations that provided the Authority with submissions on this topic as part of this review.

The Authority's two staff worked tirelessly throughout the review period undertaking research and analysis as requested by the Authority, whilst also ensuring that the business-as-usual work did not fall behind. The quantity and quality of that work, performed by such a small team, was impressive and the Authority is very appreciative.

As Chair, I personally want to also thank my two colleagues who are members of the Authority. These people are only part-time but put in substantial additional hours and effort in this project, I very much appreciate their assistance.



Geoff Summers
Chair

EXECUTIVE SUMMARY

- This review of MPs salaries and allowances was conducted as required by s 19(6) of the Remuneration Authority Act 1977. There has not been a full review of MPs' remuneration by the Authority for over twenty years. Therefore, the Authority decided to take a green-fields approach to the review.
- The Authority completed the review in several distinct stages. It was necessary to review MPs' salaries, allowances and personal benefits as well as the structure of the salaries' and allowances' schedules to determine their contemporary appropriateness. All stages were subjected to careful scrutiny. Although the Authority has applied a methodology, an entirely formulaic approach is not appropriate for remuneration decisions because there is judgement involved in every aspect. At all decision points, the Authority also applied a 'felt fair test'.
- The Authority sought to understand whether there were any "... prevailing adverse economic conditions, based on evidence from an authoritative source" that would have led the Authority to determining remuneration at a rate lower than it would have otherwise. From the information available to it, the Authority formed the view that there is not a compelling case that meets the test in s 18A(2) of the Act, although the Authority decided that prudence was required to be exercised in all decisions.
- The Authority investigated the requirements of the position of MPs, the pay of MPs in other Westminster style democracies and remuneration paid elsewhere within New Zealand in both the public and private sectors. These comparisons showed that (with some caution) the New Zealand MP's salary was less than the salaries of almost all those comparisons.
- The Authority calculated the baseline salary of the ordinary MP as a multiple of the average wage. For that, Stats NZ reports published for the June quarter 2023 were used. This provided a methodology where some multiples of the average wage could be compared to roles in the wider marketplace that are paid around that multiple. Two New Zealand-based commercial salary surveys were accessed to conduct these comparisons. The research focused on the position and salary of an ordinary MP, which was then used as the baseline for all the other Parliamentary positions.
- Roles in the commercial surveys were located that have role requirements generally comparable with the requirements of the MP's position. The Authority determined that alignment to this salary range met the legislated need to achieve and maintain fair relativity with levels of remuneration being received elsewhere. **That level of annual salary for the ordinary MP is \$168,600 per annum (rounded).** This is an increase of 2.8%.
- The Authority decided to maintain the ratio between the salary of an ordinary MP with the salaries of the Prime Minister, Ministers and most other roles with additional responsibilities as paid under previous determinations. The only roles where different decisions were made was the Leader of the Opposition, party leaders, deputy leaders, co-leaders and party whips.
- The Authority introduced a more straightforward and comprehensible structure to recognise the additional responsibilities of party leaders, deputy leaders, co-leaders, and whips in parties of differing sizes. There are now fewer ranges with a fixed payment within each range. The ranges specified are: less than 5 MPs; 5 or more MPs; 10 or more MPs; and 25 or more MPs.
- The Authority determined, for the first time, the salary for a party co-leader. The Authority decided that co-leaders should be paid half the sum of the salaries that apply to a party

leader and a deputy leader. There can only be two co-leaders paid per party and a party may not pay both co-leaders and pay a deputy leader.

- For the outyears salaries, the Authority's decisions were informed by prudently discounted forecasters' movements in the LCI. Forecasters advise to treat their figures with caution, a conclusion that was reinforced by research the Authority commissioned. The four schedules of salaries that the Act requires for the period until the next general election are contained in [Appendix D](#).
- For the basic expense allowances for the same periods the Authority used, again prudently discounted, forecasted movement in the CPI. The rates of those allowances that will appear in the determination schedules are specified in the section of the report headed [Basic expense allowance](#).

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INTERPRETATION

1. In this report, unless the context otherwise requires -

Act means the Remuneration Authority Act 1977 (the relevant sections of the Act that relate to this review are reproduced in [Appendix A](#)).

Allowance means the “basic expense allowance” as defined in s 2 of the Act and specified in sch 2 of the current determination and the similar schedules in the 2024 determination.

Annual salaries means the amount specified under the heading “yearly rate of salary payable” in sch 1 of the current determination and the equivalent set of schedules in the 2024 determination; and **salary and salaries** has the same meaning.

Authority means the Remuneration Authority as established by s 4(1) of the Act.

Average ordinary-time hourly earnings means the average ordinary-time hourly earnings for all sectors as reported by Stats NZ from the QES for the June quarter.

Average wage means the annual average wage calculated by multiplying the average ordinary-time earnings by 2080, being the number of working hours in a year at 40 hours per week.

Baseline means the annual salary determined for the position of the ordinary MP to apply from 15 October 2023 to 30 June 2024.

Base salary means the cash component of remuneration.

Criteria means the five criteria the Authority must use when determining remuneration specified in s 18 of the Act.

CPI means the Consumers Price Index

Current determination means the Parliamentary Salaries and Allowances Determination (No 2) 2020.

HLFS means the Stats NZ Household Labour Force Survey.

LCI means the Stats NZ Labour Cost Index.

Median hourly earnings means the median hourly earnings from wages and salaries as reported by Stats NZ from the HLFS for the June quarter each year.

Median wage means the annual median wage calculated by multiplying the median hourly earnings by 2080, being the number of working hours in a year at 40 hours per week.

MOP Act means the Members of Parliament (Remuneration and Services) Act 2013 (the relevant sections of that Act that relate to this review are reproduced in [Appendix B](#)).

MP means a member of Parliament and includes MPs who are office holders.

OECD means the Organisation of Economic Cooperation and Development

Ordinary MP means an ordinary member of Parliament as defined in s 5 of the MOP Act.

Outyears means the three years beginning on 1 July in each of the years 2024, 2025 and 2026 for which s 19(8) of the Act requires MPs’ salaries and allowances to be determined within the 2024 determination.

Package cost means the total of the salary for the position concerned *plus* the value of the personal benefit, or potential personal benefit, accruing from services provided to members for the position concerned (as required to be taken into account within the salaries determined by the Authority by ss 16(1)(c) and 16(2) of the MOP Act); but excludes the

value of the MP's superannuation contribution provided under the Parliamentary Superannuation Determination 2003.

Paragraph refers to a paragraph numbered in this report.

Parliamentary purpose means an activity undertaken by a member in the performance of their role and functions as a member of Parliament (including an activity undertaken by the member as a member of a party, provided it is not electioneering or directly related to the administration or management of a party).

QES means the Stats NZ Quarterly Employment Survey.

RBNZ means the Reserve Bank of New Zealand.

Remuneration has the meaning specified in s 2 of the Act.

Review means this review of MPs' salaries and allowances.

Stats NZ means the New Zealand Government Department of Statistics.

2017 determination means the Parliamentary Salaries and Allowances Determination 2017.

2024 determination means the determination of MPs' salaries and allowances required to be made as a result of this review and which will take effect from 15 October 2023.

LEGISLATION AND PRINCIPLES

Remuneration Authority Act 1977

2. The provisions of the Act that impact on this review are outlined in [Appendix A](#) of this report. The Act specifies the criteria (s 18) that the Authority must either have regard to or take into account when determining salaries. Section 18 requires that the Authority -

- (1) shall have regard in particular to the following criteria:
 - (a) the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere; and
 - (b) the need to be fair both—
 - (i) to the persons or group of persons whose remuneration is being determined; and
 - (ii) to the taxpayer or ratepayer; and
 - (c) the need to recruit and retain competent persons.
- (2) In determining the remuneration of any persons or group of persons pursuant to any subparagraph of section 12(1)(a) or in determining the remuneration of any persons or group of persons pursuant to section 12B(1) or under any other Act, the Authority shall take into account—
 - (a) the requirements of the position concerned; and
 - (b) the conditions of service enjoyed by the persons whose remuneration is being determined and those enjoyed by the persons or members of the group of persons whose remuneration and conditions of employment are, in the opinion of the Authority, comparable with those of the persons or members of the group of persons whose remuneration is being determined.

3. It should be noted that the criteria do not mention the performance of MPs; therefore, the Authority has no mandate to consider MPs' performance. Consequently, the Authority sets

remuneration for MPs, as it does for all its client groups, assuming that the incumbents are performing their job at a fully effective and competent level.

4. In addition to the above, s 18A of the Act authorises the Authority to determine salaries at a lower rate than would otherwise have been the case in times of adverse economic conditions; s 19(6) of the Act obligates that this review must be conducted, the remainder of that section outlines the requirements relating to specifying salaries and allowances for the outyears; and s 24 of the Act prevents any person's remuneration from being reduced because of a determination by the Authority at a lower rate than is currently being paid to that person.

Members of Parliament (Remuneration and Services) Act 2013

5. The provisions of the MOP Act relevant to this review are outlined in [Appendix B](#) of this report. It is this Act that authorises the Authority to determine the salaries and allowances of MPs (ss 8 and 9). Section 16 sets out the principles that must be applied when providing services to MPs and establishes the requirements to ensure that any component of personal benefit or potential personal benefit, accruing to MPs from services provided is valued and taken into account when determining their salaries.

Principles

6. Several of the principles outlined below are drawn from previous Royal Commissions into Parliamentary Salaries and Allowances (which operated from 1951 to 1973) and some from the 2001 Macdonald¹ report into Parliamentary Salaries, Allowances and other entitlements. The Authority believes that these principles are still relevant and complement the statutory criteria. They were taken into account as the review progressed. The principles (although reworded) are:
 - a. MPs' salaries and allowances are related solely to the office and not to the person. It is assumed that MPs have no other income, and that their occupation is full time. Private or outside income will not be taken into account.
 - b. MPs are undertaking their roles with a sense of public service.
 - c. It is accepted MPs have family commitments, and the sacrifices MPs and their families make in their enjoyment of leisure and family life will be considered.
 - d. MPs' salaries and allowances should assist with the attraction and retention of MPs who represent the diversity of New Zealand society and support a culture of inclusion in an MMP Parliament.

THE REVIEW

7. This review was conducted as obligated by s 19(6) of the Act (see [Appendix A](#)). The General Election was held on 14 October 2023 and the writ was returned on 16 November 2023. The Authority began this review on 17 November 2023. The Act's wording prevented the Authority from preparing for the review ahead of the return of the writ, the word "begin" in s 19(6) of the Act prohibited the Authority from undertaking any work on the review before that time. Therefore, the substantial research and investigation that was required drove the review well into 2024. Note that s 19(6) of the Act specifically limits the review to

¹ DJD Macdonald, Controller and Auditor-General, *Parliamentary Salaries, Allowances and Other Entitlements Final Report*, Office of the Controller and Auditor-General (Wellington: Office of the Controller and Auditor-General: 2001).

“salaries and allowances”. Therefore, two of the Authority’s determinations that apply to MPs were out of scope of the review:

- a. The Parliamentary Superannuation Determination 2003 - this determination is ongoing and does not need to be regularly revised; and
- b. The Members of Parliament (Accommodation Services for Members and Travel Services for Family Members) Determination 2023 – this determination is required to be reviewed for each term of Parliament so was last revised in mid-2023.

Green-fields approach

8. The Authority conducts full reviews of its various client groups on a rotational basis over a few years. However, no full review of MPs’ remuneration had been completed for over twenty years. The last full review was completed in 2002 following the passing of the Remuneration Authority (Members of Parliament) Amendment Act 2002 and a new determination came into force in 2003. A less extensive review was completed in 2014 which was focussed on the provisions of the (then) recently passed MOP Act. In 2015 Parliament amended the Act to provide a formula for increasing MPs’ remuneration that the Authority was required to implement on an annual basis. The Authority’s role was simply to populate the formula with Stats NZ data and produce a determination incorporating the remuneration figures that resulted. There was no judgement involved and there was also no capability for the Authority to conduct a review. Parliament amended the Act in 2019² to remove the formula and restore the Authority’s independent assessment of MPs’ pay; including inserting ss 19(6) through (8) of the Act as outlined in [Appendix A](#).
9. The 2019 Amendment Act introduced a freeze of salaries and allowances until 1 July 2019; but by the time the Amendment Act received the royal assent and took effect, it was early 2020 and the country’s COVID-19 pandemic restrictions were in force. The Authority invoked s 18A of the Act (see [Appendix A](#)) for the 2019 determination and set the salaries and allowances at the same rates that were specified in the 2017 determination. The first occasion when the Act’s s 19(6) review requirement could be implemented was immediately following the 2020 general election. However, the pandemic and its associated economy-wide restrictions were still in force, so the Authority again invoked s 18A of the Act and set the full current determination by continuing the 2017 determination’s salary and allowance levels.
10. Over the period June 2017 to June 2023 (more-or-less corresponding to two election cycles) the LCI had increased by around 17%, average ordinary-time hourly earnings by over 30% and CPI by over 20%.
11. For this s 19(6) review, the Authority decided to take a green-fields approach. The history outlined above meant that the Authority could not have full confidence that current salary and allowance levels were appropriate or fully in accordance with the criteria. This review therefore set out to determine what levels of salary and allowances should apply in the 2024 determination without reference to existing rates. Section 24 of the Act (see [Appendix A](#)) prevents any person from receiving a lower rate of remuneration that they are already receiving. This does not prevent the Authority from determining a lower rate, and it was prepared to do so, but the MPs concerned could not have been paid less than they were currently receiving.

² Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2019

Review process

12. An important aspect of the review was the order and methods used to implement the criteria. The criteria are in two specific groups which are required to be implemented differently. There are three criteria for determining remuneration which are classified as the “compulsory criteria” because they require that the Authority “**shall have regard** in particular to the following criteria ... **the need to** ...”. (s 18(1) of the Act outlined in paragraph 2 and [Appendix A](#)). Section 18(2) specifies two other criteria that the Authority must “**take into account**” when considering each of the compulsory criteria. The Authority therefore specifically took the requirements in s 18(2) into account when analysing each of the three criteria in s 18(1).

Consultation

13. To meet its legislative requirements under s 17A of the Act the Authority consulted the Speaker of the House of Representatives and the Minister Responsible for Ministerial Services on any element of personal benefit or potential personal benefit received by MPs. It consulted the Commissioner of Inland Revenue on the tax consequences before making a determination. In addition to meeting its legislative requirements the Authority sought submissions from all MPs and a selected list of individuals and organisations who had a good understanding of Parliament and could provide an opinion on the role of MPs. The Authority also received submissions from a small number of interest groups and members of the public. All submissions received were considered by the Authority.

The outyears - research project

14. The Authority had misgivings about the ability to forward predict salary increases for the outyears as required by s 19(8) of the Act. There are predictive models of consumer inflation, wage inflation and other labour market economic indicators available in the market. The Treasury, RBNZ, private sector banks and economic consultancies produce forecast models. However, the Authority did not have any information available to it to indicate the degree of confidence that could be placed in the figures included in those forecasts. The forecasters themselves advise caution in the use of their predictions, especially those for further out years. The Authority was made aware that the University of Canterbury has a Master of Data Science programme. The programme director indicated that an experienced student with suitable qualifications could be sponsored to undertake the research needed to inform the Authority of the appropriate confidence levels applicable to the forecasted movements. The student had a Master of Financial Analysis degree and was in the final stages of the Master of Data Science. They produced a report³ that the Authority has used to inform its determining of the outyears’ salary and allowance levels. The report, and its impact on the decisions made around the outyears’ salary levels, is discussed in the appropriate parts of this report and a copy of their report can be accessed on the Authority’s website. Their report substantially agreed with the forecasters’ own advice to treat their figures for the outyears with caution, especially the longer-range forecasts.

The review phases

15. The Authority completed the review in several distinct stages because it was necessary to consider a wide range of components of MPs’ salaries, allowances and personal or potential personal benefits; including the structure of the current Parliamentary Salaries

³ Jingcheng Zhou, ‘Forecasting New Zealand Members of Parliament Salaries: An analysis of predictive models and economic forecasts reliability’ (Masters Research Project, University of Canterbury, 2024).

and Allowances Determination schedules to determine their contemporary appropriateness.

- (1) **Countervailing economic conditions:** the first phase investigated the authoritative sources that were available to inform the Authority of the state of the economy; this was to understand whether there were any “... *prevailing adverse economic conditions, based on evidence from an authoritative source*” (s 18A(2)(a) of the Act) that would necessitate the Authority deciding to “... *determine the remuneration at a rate lower than it would otherwise have determined*” (s 18A(2)(b) of the Act – see [Appendix A](#)). If there were prevailing adverse economic conditions, the Authority would have had to decide if there was a need to temper any increases applied.
- (2) **The requirements of the position of MP:** the second phase established the outline of the MP’s position that would be used as the basis of comparisons made during the achievement of fair relativities. The Authority gave considerable weight to the s 18(2)(a) criterion to take into account “*the requirements of the position concerned*” because the third phase required the achievement of fair relativities with remuneration being received elsewhere. It is an integral aspect of relativity achievement that the positions being linked must have some significant similarities, therefore the Authority initially established an outline of the responsibilities of the position of the MP to become the basis of the comparisons to be made (see [Appendix C](#)).
- (3) **Fair relativity:** the third phase researched and investigated the matters necessary to determine how the Authority would “*have regard in particular to the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere*” as required by s 18(1)(a) of the Act. This activity established the baseline annual salary for the ordinary MP.
- (4) **Personal and potential personal benefits:** the fourth phase researched and investigated the current value of the personal or potential personal benefit for MPs, Ministers or their family members that arises from an entitlement to a service and which s 16(2)(c) of the MOP Act requires to be taken into account by the Authority when determining salaries. The MOP Act also requires the Authority to be transparent (s 16(1)(a)(iv)) and set out how it has taken the personal benefit or potential personal benefit values into account in determining salaries (s 16(2)(b)) so this phase also addressed those issues.
- (5) **MPs with additional responsibilities and the structure of the salary schedules:** the fifth phase calculated the annual salaries for all MPs’ positions that have additional responsibilities to be included in Schedule 1(a) of the 2024 determination. This phase also sought to significantly rationalise the basis, within the salary schedules, of the payments for party leaders, deputy leaders and whips. The extant system was cumbersome and not easy to understand nor to administer. There are also co-leaders in the Parliament which were not mentioned in the schedule and needed to be included.
- (6) **Fairness to MPs and the taxpayers:** the sixth phase analysed the sch 1 salaries produced in phase five (above) to test the provisions of s 18(1)(b) of the Act which requires that the Authority must have regard in particular to the need to be fair to both the persons whose remuneration is being determined (MPs) and to the taxpayer. In testing this aspect, the Authority specifically took into account the provisions of s 18(2) of the Act.

- (7) **Recruitment (attraction) and retention:** the seventh phase analysed the sch 1 salaries produced in phase six to test the provisions of s 18(1)(c) of the Act which requires that the Authority must have regard in particular to the need to recruit and retain competent persons. In testing this aspect, the Authority specifically took into account the provisions of s 18(2) of the Act.
- (8) **Outyears schedules:** the eighth phase considered what measures could be utilised to establish the appropriate adjustments to salaries for the three outyears of the Determination. The Authority concluded that market forecasts of wage inflation (discounted as determined by the Authority due to the concerns over confidence levels - see paragraph [14](#)) were suitable and would be applied. The three outyears' schedules were completed for the draft determination as required by s 19(8) of the Act.
- (9) **Basic expense allowance:** finally, the ninth phase considered the basic expense allowance rates applicable for each of the four periods specified in s 19(8) of the Act and produced the four allowance schedules for the 2024 determination as required by that section of the Act (see [109](#)).

COUNTERVAILING ECONOMIC CONDITIONS

16. As recorded in paragraph [15\(1\)](#), the Authority sought to understand whether there were any "... prevailing adverse economic conditions, based on evidence from an authoritative source" (s 18A(2)(a) of the Act) that would necessitate the Authority deciding to "... determine the remuneration at a rate lower than it would otherwise have determined". The Authority agreed that, for the purposes of considering this matter, the Treasury, the RBNZ and Stats NZ are "authoritative sources" of data and other information. The Authority closely examined information from these sources to inform its conclusions. Commentary and data from reports and forecasts prepared by private sector banks, economic consultancies and remuneration organisations were also considered.
17. Because the Authority is required to determine salaries for outyears, it was important that it also understood expectations of economic performance in the future, hence the forecasts prepared by the authoritative sources were considered. The range of measures looked at, both historically and as forecast, included changes in economic growth (as represented by Gross Domestic Product); CPI; labour market indicators such as unemployment and labour costs (from the QES, the HLFS, the LCI and the minimum wage); and the Official Cash Rate (RBNZ). It is widely understood that forecasts are increasingly unreliable, with high uncertainty in the assumptions used as they move further out from the present day (see paragraph [14](#)). However, the Authority considered that there was general consensus among forecasters (both the "authoritative sources" and others) as to the overall outlook and trends, although there were differences in the detail and magnitude of the indicators.
18. The Authority is not required to take the "cost of living" into account in making its determinations. It generally considers that wage inflation is an indicator that better fits the criteria. However, it will give thought to the impact of changes in consumer inflation indirectly in setting remuneration via several of the statutorily prescribed considerations, including fairness to the person whose salary is being set (s 18(1)(b)(i)) and remuneration levels of those in comparable positions (s 18(2)(b)). The Authority may, and does, appraise the cost of living, (as represented by changes in the CPI) in determining the basic expense allowance and when making its assessment of the application of s 18A.

19. New Zealand was considered to be in a technical recession at the end of 2023, following two quarters of negative growth. In the Budget Policy Statement released by the Government at the end of March 2024, Treasury stated that the economic outlook had deteriorated since the Half Year Economic and Fiscal Update in December 2023. However, ANZ Bank economists suggested that this was a necessary and appropriate “policy-induced slowdown”⁴. The Governor of the RBNZ, in an interview, welcomed the slowing of demand and the easing of inflation pressures, which would lead to lower interest rates⁵. He implied that the slowing economy was in line with expectations.
20. In summary, the key points that the Authority deduced from the information provided by authoritative sources about the current situation and the near-future years were that: reduced inflationary pressure is expected, with inflation expectations declining from peaks but remaining high; growth in economic activity will remain slow; higher interest rates will remain in the near future, as the RBNZ continues to use this mechanism to help to bring inflation back into the RBNZ’s target range; the labour market is tight but labour shortages are easing and wage inflation is also expected to gradually ease.
21. From the information available to it, the Authority formed the view that there is not a compelling case that meets the test implied in s 18A(2) of the Act. Hence the Authority proceeded with its review and did not invoke the s 18A provision. However, the Authority considered that in the current economic environment, taking into account shorter term forecasts, prudence was required in its determination of MPs’ salaries.

THE REQUIREMENTS OF THE POSITION OF MP

22. The Authority is required, by s 18(2)(a) of the Act, when determining remuneration, to take into account the requirements of the position of the people concerned, in this review that is MPs. The responsibilities, accountabilities and actual duties undertaken are important because that informs the other four criteria; in particular, it assists to determine which other roles in the wider marketplace, if any, might be comparable to an ordinary MP, thereby enabling the implementation of s 18(1)(a) and s 18(2)(b) of the Act. Therefore, this phase documented the outcome of the Authority’s investigation of the requirements of the position of an ordinary MP. The material collated is contained in [Appendix C](#). It is not a job description in the normal sense of that phrase.

Essential position components

23. The Authority considered all the material in [Appendix C](#) and developed the following nine generalised aspects of the position to use them in comparisons with other roles in later phases of the review.
 - a. **Representation and advocacy:** the MP’s position requires them to constantly represent, and advocate for, others at a very high level. This is a core requirement of the position and is the aspect that sets MPs apart from nearly all other roles. This requirement impacts on all other aspects of their position, it is an all-encompassing and critical part of the job.
 - b. **Scope of influence:** the MP’s position has a significant breadth and depth of influence, both within Parliament and in the wider community. In their position as members of committees and within caucus debates inside Parliament, MPs can influence collective

⁴ ANZ Research, ‘NZ GDP: Q4 2023 Review’, ANZ (Wellington: ANZ: 2024)

⁵ ‘Interview with RBNZ Governor Adrian Orr concerning global interest rates’, *Morning Report*, Radio New Zealand National, 28 March 2024, 8:45am.

decisions on matters of government, legislation and other matters of national significance. Within the wider community they are regularly in positions of considerable influence, without any dependence or reliance on others, where their status as MP enables a magnitude of influence that is not accorded to many others.

- c. **Knowledge:** the MP's position requires the utilisation of a substantial body of wide-ranging knowledge to complete the work requirements. MPs need knowledge of legislation and how to analyse and question it, through the workings of the Parliament, to the methods needed to advocate for and assist constituents and others with interactions with various aspects of government on sometimes complex issues. It is recognised that some MPs will enter Parliament with this, or a higher level of knowledge, whilst others will not. However, to perform the role, new MPs must learn fast to reach this level because the complexity of the work they must perform requires them to operate at this level.
- d. **Experience:** there is no specific experience requirement for MPs, in fact democracy demands that the representatives are the people chosen by citizens regardless of their backgrounds. Most new MPs enter Parliament with a substantial body of experiences and proficiencies from their earlier involvement, within and outside of the workforce, and MPs are drawn from many walks of life; they bring experiences that reflect their diverse genders, ethnicities, professions and backgrounds. This diversity is highly desirable within a democracy. A small number of new entrants may not have that same level of experience, those MPs need to learn quickly to complete the role effectively.
- e. **Intellectual challenges:** MPs must be able to complete intellectual challenges of a complex nature, they must be able to: grasp complicated legal principles contained in policies and legislation; resolve complex problems; understand multifaceted systems and processes; and produce innovative solutions.
- f. **Freedom-to-act:** MPs have a very high level of freedom-to-act within many aspects of the position. Those freedoms are curtailed to some extent by the whip system in their parliamentary and committee work; but in many other aspects of their role, they alone decide what to do, when to do it and with whom to do it; and they are often working on very complex issues without any instruction or guidance.
- g. **Communications:** MPs must have substantial interpersonal communications abilities. They must be able to; interact with and communicate effectively with a wide range of people, from constituents in lower social economic areas through to CEOs of major corporations and government agencies and in interactions with international contacts; competently speak in public to large groups of people where the intent of their communication is a strong need to influence the audience rather than just conveying information; and tailor their communications style for the person or group that they are addressing.
- h. **People management:** MPs have varying amounts of staff management responsibilities. Ministers have substantial staff responsibilities and MPs have responsibilities in this area within their constituency offices and at Parliament. They must lead and manage those staff appropriately.
- i. **Finance:** MPs need a significant level of financial acumen because they must analyse and understand extremely complex government finance budgets and appropriations. MPs are required to have, or quickly gain, competence in assessing and analysing government appropriation budgets amounting to billions of dollars, albeit they do this in conjunction with their parliamentary colleagues and advisors. MPs would not be

expected to enter Parliament with this level of competence in most cases, but all must obtain this level within a reasonably short period because it is a critical requirement of their role. They must also account for the funds that are provided to operate the various offices that are inherently part of their role (such as a constituency office etc.).

24. All MP positions that have additional responsibilities, as outlined in sch 1 of the Authority's determinations, have all the above requirements in addition to the specific duties attached to their office. The Authority has taken those additional responsibilities into account in the sections [59](#) - [76](#) of this report.

FAIR RELATIVITY

25. Section 18(1)(a) of the Act (see [Appendix A](#)) requires the Authority to consider "*the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere*". Whilst considering that need, the Authority must take into account the requirements of the positions concerned (s 18(2)(a)) and "*the conditions of service enjoyed by the persons whose remuneration is being determined and those enjoyed by the persons or members of the group of persons whose remuneration and conditions of employment are, in the opinion of the Authority, comparable with those of the persons or group of persons whose remuneration is being determined.*" (s 18(2)(b)). The Authority therefore had to take s 18(2)(a)&(b) into account when assessing the requirements of s 18(1)(a). The Authority determined that there were four areas of research and investigation required to comply with these criteria:
 - a. In relation to s 18(1)(a) of the Act, the word "elsewhere" established a need to investigate the pay of MPs in other Westminster style democracies;
 - b. The word "elsewhere" also established a need to investigate remuneration that was currently being paid elsewhere within New Zealand in both the public and private sectors;
 - c. In investigating those two different aspects of the word "elsewhere" the Authority had to take into account the requirements of the New Zealand MP's position (s 18(2)(a)); and
 - d. the Authority had to decide, in the Authority's opinion, what other persons or groups had remuneration and conditions of employment that were comparable with MPs so that those people's conditions of service could be taken into account as required by s 18(2)(b) of the Act.

Remuneration of MPs in other jurisdictions

26. The Authority decided that the Parliaments of four countries would be useful comparisons with the New Zealand House of Representatives. These were: the United Kingdom (UK); Australia; Canada and the Republic of Ireland. The Authority had difficulty making appropriate comparisons with other parliaments because even those countries that are closely comparable to New Zealand also have discernible similarities and differences. To establish a basis for those comparisons, the Authority noted that:
 - a. The New Zealand Parliament is based on the Westminster system; there are generally 120 MPs (unless there is an overhang); the Parliament controls a relatively small economy in world terms for about 5 million people; the Parliament is unicameral, so controls all the business of the government without any upper house influence; it is not

part of any federal system so does not share power and control with other parliaments or assemblies.

- b. The UK is the source of the Westminster system; the House of Commons has over five times more MPs than New Zealand; the MPs control a far larger economy for a far larger population; the UK Parliament is bicameral, there is a House of Lords which has an important input into the business of the government; some power and control is shared with the Parliament in Scotland and the Assemblies in Wales and Northern Ireland.
 - c. The Parliament of Australia is based on the Westminster system; the Federal House of Representatives has about 25% more MPs than New Zealand; it controls a larger economy for a larger population; the Parliament of Australia is bicameral, there is a Senate which has an important input into the business of the government; the Parliament is formally limited to what it controls because, being a federation, a significant amount of power and control rests with the six State Parliaments and to a lesser extent the Territorial Assemblies.
 - d. The Parliament of Canada is based on the Westminster system; the Federal House of Commons has about three times the number of MPs than in the New Zealand Parliament; it controls a larger economy for a larger population; the Parliament of Canada is also bicameral, there is a Senate which has an important input into the business of the government; however, the Parliament is formally limited to what it controls because a significant amount of power and control rests with the provincial legislative assemblies.
 - e. The Republic of Ireland's Oireachtas (Parliament) was also originally modelled on the Westminster system; the Dáil Éireann (Lower House) has about 50% more MPs than New Zealand to control a somewhat larger economy for a similar number of citizens to New Zealand; the Oireachtas is bicameral, there is a Seanad Éireann (Upper House) which has an important input into the business of the government but it does not share power or control with any other parliaments or assemblies.
27. These aspects highlight some significant differences to the requirements of the New Zealand MP's position. A further factor that caused the Authority to use caution in these comparisons was that it is difficult to accurately ascertain what benefits MPs in other countries are entitled to. New Zealand MPs used to have significant benefits, but those (other than a superannuation scheme) were eliminated some considerable time ago and any personal benefit derived from services they receive for doing their job is taken into account in the setting of their salaries. There are specific provisions in other determinations for MPs to be provided with services or reimbursements but these all relate to a Parliamentary purpose. Therefore, the salaries of other countries' MPs may be understating the rewards that those MPs receive for their service when making a comparison with New Zealand MPs. Taking that, and the above differences in requirements into account, the Authority decided that the comparator countries' MPs' pay rates could only be informative, rather than definitive, comparisons.

Salary and Purchasing Power Parities comparisons

28. [Table 1](#) sets out the salaries for MPs in New Zealand and the four comparator countries; firstly, in their home country currencies; and secondly, once converted to US dollars using the OECD's Purchasing Power Parities (PPP) system. There is no perfect system for deriving like-for-like comparisons of different country currencies, however it has become an accepted practice to use PPPs. The OECD defines the PPP system as, "Purchasing

power parities (PPPs) are the rates of currency conversion that try to equalise the purchasing power of different currencies, by eliminating the differences in price levels between countries. The basket of goods and services priced is a sample of all those that are part of final expenditures: final consumption of households and government, fixed capital formation, and net exports. This indicator is measured in terms of national currency per US dollar.”⁶

29. The PPP system is utilised widely around the world and is an appropriate “apples for apples” comparison system. Note that the 2022 conversion rates were used because those were the latest rates published at the time the Authority accessed the data. New tables are only produced annually and the 2023 table was not available.

Role	2023 Salary (home currency)	Salary (\$US) [2022 OECD PPP]	% of New Zealand MP's salary (PPP)
New Zealand MP	\$163,961⁷	\$112,843	
UK MP	£86,584 ⁸	\$133,002	118%
Australian Federal MP	\$225,750 ⁹	\$164,661	146%
Canada Federal MP	\$194,600 ¹⁰	\$167,039	148%
Ireland MP	€108,987 ¹¹	\$147,679	131%

Table 1 - Limited international comparisons - MPs' salaries with PPP (rounded)

30. These comparisons show that New Zealand MPs' salaries are lower than those paid to similar roles in somewhat similar countries. [Table 2](#) then compares the salaries received by MPs in the five countries with the average or median wage in that country (whichever was available). The Authority used these comparators with considerable caution because the base earnings data used to calculate the average or median wage differs between countries and is different to the statistics provided by Stats NZ, as are the reporting timeframes.

⁶ OECD, 'Purchasing power parities (PPP)', *OECD Data* (Paris: OECD: 2024).

⁷ Remuneration Authority, 'Parliamentary Salaries and Allowances Determination (No 2) 2020', Schedule 1, *New Zealand Legislation*, (Wellington: Parliamentary Counsel Office, 2020).

⁸ House of Commons Library, 'Members' pay and expenses and ministerial salaries 2022/23', *House of Commons Library*, (London: House of Commons Library: 2023).

⁹ Remuneration Tribunal, 'Remuneration Tribunal (Members of Parliament) Determination (No.2) 2023', *Australian Government Remuneration Tribunal* (Canberra: Remuneration Tribunal: 2023).

¹⁰ Parliament of Canada, 'Indemnities, Salaries and Allowances', *Parlinfo* (Ottawa: Parlinfo: 2023).

¹¹ Houses of the Oireachtas, 'Salaries', *Houses of the Oireachtas* (Dublin: Houses of the Oireachtas: 2023).

Role	2023 Salary (home currency)	Avg or Med Wage (home country) 2023	MP – number of times Avg or Med Wage
New Zealand MP	\$163,961	\$82,222 ¹²	2.0
UK MP	£86,584	£33,384 ¹³	2.6
Australian Federal MP	\$225,750	\$82,160 ¹⁴	2.7
Canada Federal MP	\$194,600	\$62,187 ¹⁵	3.1
Ireland MP	€108,987	€58,386 ¹⁶	1.9

Table 2 - MPs' salary comparisons to home country average or median wage (rounded)

31. The salary of the MP equivalent in the Republic of Ireland, in PPP terms, is over 30% ([Table 1](#)) more than the New Zealand MP's salary and they have considerably more MPs as well as an upper house; but that salary equates to a similar multiple of the Irish Average Wage ([Table 2](#)). The other three comparators display higher multiples of the average (or sometimes median) wage in the country concerned; with the average multiple from the four comparator countries being 2.6. Even taking a very cautious approach to the data, the New Zealand MP's salary is less than all four comparator countries (PPP) and is at a lower multiple of the local average/median wage, except in the Republic of Ireland.
32. The Authority's cautious approach to this data meant that this analysis did not produce an absolute conclusion but rather led to an assumption that something more than the current level of MPs' salary may be appropriate if supported by other research and analysis; in particular the analysis of the requirements of s 18(2)(b) of the Act in relation to New Zealand internal comparisons.

Australian State and Territory MPs

33. A comparison was undertaken to see how the salary of New Zealand MPs compares to salaries of Australian State and Territory MPs. This is shown in [Table 3](#). It is notable that all State and Territory MPs' salaries in the table are greater than the New Zealand MP's salary except for Tasmania which is lower by about 9% (it appears that Tasmania's MPs have been subject to a pay freeze for a few years). The States have some specific legislative responsibilities with which the Federal government cannot interfere and vice versa. In contrast, the New Zealand government is responsible for all matters of government. The Authority therefore found it notable that seven out of the eight groups of MPs are paid more than New Zealand MPs when compared on a PPP basis.

¹² Stats NZ, 'Labour market statistics: June 2023 quarter', *Stats NZ* (Wellington: Stats NZ: 2023).

¹³ Office for National Statistics, 'Average weekly earnings in Great Britain: May 2023', *Office for National Statistics* (London: Office for National Statistics: 2023).

¹⁴ Australian Bureau of Statistics, 'Employee Earnings', *Australian Bureau of Statistics* (Canberra: Australian Bureau of Statistics: 2023).

¹⁵ Statistics Canada, 'Employment by industry, monthly, unadjusted for seasonality', *Statistics Canada* (Ottawa: Statistics Canada: 2023).

¹⁶ Central Statistics Office, 'Earnings and Labour Costs Q1 2023 (Final) Q2 2023 (Preliminary Estimates)', *Central Statistics Office* (Dublin: Central Statistics Office: 2023).

State/Territory	2023 Salary (home currency)	Salary (\$US) [2022 OECD PPP]	% of New Zealand MP's salary (PPP)
New Zealand	\$163,961	\$112,843	
ACT ¹⁷	\$183,299	\$133,697	118%
NSW ¹⁸	\$172,576	\$125,876	112%
NT ¹⁹	\$166,763	\$121,636	108%
QLD ²⁰	\$176,909	\$129,037	114%
SA ²¹	\$198,276 ²²	\$144,621	128%
TAS ²³	\$140,184	\$102,249	91%
VIC ²⁴	\$198,839	\$45,032	129%
WA ²⁵	\$166,724	\$121,608	108%

Table 3 – Comparisons of New Zealand MPs' salary with Australian State and Territory MPs salaries (rounded)

Remuneration of others elsewhere within New Zealand

34. The remuneration being received by others within New Zealand was where there was a considerable overlap in the requirements between the Act's ss 18(1)(a) and 18(2)(b) (see [Appendix A](#)). This became a singular investigation because the term "elsewhere" is not defined in the Act so is effectively boundaryless. However, standard remuneration management practice requires that, where relativity is to be achieved and maintained, there must be some similarities between the related roles, in this case the requirements of the MP's position and the requirements of the roles receiving the remuneration elsewhere. That view was reinforced by the legislation's use of the adjective "fair" before the word "relativity" in s 18(1)(a). Also, s 18(2)(b) of the Act specifically requires a comparison between the remuneration and conditions of employment of the MP's position and the

¹⁷ ACT Remuneration Tribunal, 'Determination 7 of 2023 – Members of the ACT Legislative Assembly', *ACT Remuneration Tribunal* (Canberra: ACT Remuneration Tribunal: 2023).

¹⁸ Parliamentary Remuneration Tribunal, 'Annual Determination', *NSW Remuneration Tribunals* (Sydney: Parliamentary Remuneration Tribunal: 2023).

¹⁹ Remuneration Tribunal, 'Remuneration Tribunal reports and determinations', *Department of Chief Minister and Cabinet* (Darwin: Remuneration Tribunal).

²⁰ Queensland Independent Remuneration Tribunal, '2023 Determinations', *Queensland Independent Remuneration Tribunal* (Brisbane: Queensland Independent Remuneration Tribunal: 2023).

²¹ Remuneration Tribunal of South Australia, 'Members of Parliament', *Remuneration Tribunal of South Australia* (Adelaide: Remuneration Tribunal of South Australia: 2023).

²² The Parliamentary Remuneration Act 1990 (SA) defines the "Basic salary" as being a rate equal to the Commonwealth basic salary less \$42,000 [AUD] plus the common allowance for the relevant year. For the purposes of this comparison the salary here only includes the part of the common allowance for MPs' service as members on parliamentary committees (\$14,526 AUD).

²³ Tasmanian Industrial Commission, 'Parliamentary Salaries and Allowances', *Tasmanian Industrial Commission* (Hobart: Tasmanian Industrial Commission: 2020).

²⁴ Victorian Independent Remuneration Tribunal, 'Members of Parliament Salaries and Allowances', *VIC.GOV.AU* (Melbourne: Victorian Independent Remuneration Tribunal: 2023).

²⁵ Salaries and Allowances Tribunal, 'Members of Parliament Tribunal Determination No 1 of 2023', *Government of Western Australia* (Perth: Salaries and Allowances Tribunal: 2023).

remuneration and conditions of employment of the other roles concerned to be taken into account. These provisions place a requirement on the Authority to ensure that any external relativity under consideration is fair, which further implies that there must be some comparability or similarities.

35. The green-fields nature of the review required the Authority to determine the baseline salary for ordinary MPs in the 2024 determination to apply from 15 October 2023. Whilst keeping in mind international comparisons, the relevant measures the Authority considered were the average wage and the median wage. The Authority utilised data from Stats NZ, New Zealand's authoritative source of statistical information. After considering the legislation and principles applying to this review, the Authority selected the measure of average ordinary time salary and wages for "all sectors" on the basis that: (i) MPs represent all New Zealanders; (ii) all sectors represents the widest possible definition of "elsewhere"; and (iii) MPs are drawn from all sectors of New Zealand society and that is where they return to after leaving Parliament²⁶. Thus, all sectors (rather than either the private or public sector) was adopted by the Authority for benchmarking MPs' remuneration.
36. Average ordinary-time hourly earnings from the QES, as first published for the June quarter, were used in the calculation of the average wage; and median hourly earnings from wages and salaries from the HLFS for year to the June quarter were used to calculate the median wage. This timing is consistent with the data utilised in making determinations for the Authority's other clients and relevant to the annual periods required by s 19(8) of the Act for the outyears in the 2024 determination. Consistently using data reported by Stats NZ for the quarter ending June each year was the sensible approach.
37. Both the average and median earnings, similarly (but not identically) measure the hourly rates in wage and salary roles for all sectors. They have some differences in the scope of occupations covered. In addition:
 - a. the average wage is published quarterly for the March, June, September and December quarters whereas the median wage is published annually for the June quarter;
 - b. both measures can be affected by compositional changes in the workforce;
 - c. the median wage is usually lower than the average wage because in the population there is a higher proportion of people with relatively low earnings and a smaller proportion with relatively high earnings;
 - d. amongst economic, financial and labour market analysts, forecasters and commentators, the average wage is the most widely quoted measure with the median wage reported less often.

Baseline decision

38. The Authority considered that either the average or the median wage would serve the purpose but, because the average wage is more often publicly discussed than the median wage, it is more likely to be widely understood. The Authority therefore decided to test the average wage to ascertain if it would provide the fair relativity required by s 18(1)(a) of the Act. That enabled the Authority to calculate the baseline salary of the ordinary MP from 15

²⁶ The standard method, used by remuneration specialists, for determining sector alignment for any group of people's remuneration is to align to the sector from which new entrants were usually recruited and to which people exiting the organisation usually return. In the MPs' case, this is the entire economy represented by the 'all sectors' Stats NZ data.

October 2023 as a multiple of the average wage. For the calculation of that baseline, the Authority used Stats NZ reports published for the June quarter 2023 (see paragraph [36](#)).

39. The Stats NZ June 2023 average ordinary-time hourly earnings was \$39.53 which calculates an annualised Average Wage of \$82,222. In testing this concept, the Authority was not attempting to establish a formulaic approach, rather providing a methodology whereby some multiples of the average wage could be calculated and compared to the roles in the wider marketplace (“elsewhere”) that are paid in a range around that figure. By comparing the requirements of the MPs’ position to the requirements of those comparator roles, a generalised equivalence was able to be established that enabled decisions as required by s 18(2)(b) of the Act. All the other legislated requirements were then considered to ensure that this policy position was fully fit-for-purpose.

Salary reset capability

40. The decision to use the Stats NZ average wage as the basis of the baseline calculation was reinforced when the Authority identified an advantage. Section 19(8) of the Act requires the Authority to publish the three outyears’ salary schedules to apply from 1 July in each of the years 2024, 2025 and 2026. Due to the uncertainties inherent in forecasts of wage movements and the expert advice that the Authority had about the lack of confidence that it can place in the accuracy of those projections (see paragraph [14](#), the conclusion being that less confidence can be placed on the figures the further out the movements are projected), the Authority decided that the salaries outlined in those schedules will be the baseline increased by discounted movements in forecast wage inflation measures produced by authoritative sources. This is consistent with the requirement of s 19(6) of the Act in that the outyears’ schedules must be “... based on the information that is available to the Authority at the time of the review”. Consequently, the Authority discounted the outyear projections (see [93](#) - [97](#)).
41. This could mean that the pay rates determined in the outyear schedules fall behind the actual market for those years. By the time the next post-election determination is produced, MPs’ pay may be behind where it would have been according to the methodology used to calculate the baseline in this report. The legislation requires the outyears’ schedules to be determined and published in advance, so this factor was beyond the Authority’s control.
42. However, if the baseline for the schedules had been originally calculated from some multiple of the average wage, the methodology adopted effectively provides the Authority with the ability to apply a “reset button” to resolve this problem; provided all other requirements of the Act are also applied. For example, in the s 19(6) review that must follow the next general election, the Authority would be able to repeat the 2024 determination process as follows: initially the Authority could establish the new baseline salary for the ordinary MP in exactly the same manner, and using the same methodology as used in the 2024²⁷ determination i.e. xx times the annualised average wage as reported for the June quarter 2026 by Stats NZ (whilst applying a “felt fair” test to ensure that methodology was still fit-for-purpose).
43. Then the Authority could produce the full schedule of salaries to be paid from the day after the next general election, including for positions with additional responsibilities, by using the same relativities to the ordinary MP’s salary, and the same calculations, that were used to create the 2024 determination. The difference (if any) between the calculated post-

²⁷ Note: the Act requires a review to be commenced after each general election – this example assumes that the 2026 review decides to continue the previous processes (which is likely after only one electoral cycle) but the Authority could make a change if there was good reason. A further reason that this process may not apply would be if the Authority invoked s 18A of the Act due to countervailing economic conditions at the time.

election salaries and those specified in the schedule applicable from 1 July 2026, would therefore rectify the underpayments (if any) that had occurred through the conservative application of the projected salary increases in the outyears; albeit that the new salaries would only apply from the day after the next general election, the Act does not provide any capability to backdate past the election date.

44. This analysis provided the Authority with confidence to decide that some multiple of the average wage (as reported by Stats NZ see paragraph [39](#)) should be investigated, using the tests in paragraph [47](#), to determine if that system would provide reasonable compliance with ss 18(1)(a) and 18(2)(b) of the Act. In researching this possibility, the Authority sought to achieve and maintain fair relatively with a point within the New Zealand workforce where the requirements of MPs' positions generally compared to the requirements of the comparator market roles.

Market research

45. Because Stats NZ does not survey or publish specific salary levels applicable to specific roles (that is not their purpose), the Authority looked elsewhere for high quality actual remuneration rates for specific roles to compare annual salaries. Two New Zealand-based commercial salary surveys were utilised, one each from Korn Ferry and Strategic Pay Limited²⁸. Both surveys were current, being 2023 data, so fitted well into the Authority's time requirement. The Korn Ferry survey was their Reward Benchmarking as at 5 December 2023 Market Data Report – by Model Job Matching and Level; the data is reported to have been sourced from 330 organisations reporting on the pay of 213,238 incumbents in 71 job families using 913 unique positions. The Strategic Pay survey was their Benchmark Survey; the data is reported to have been sourced from 569 organisations reporting on the pay of 227,772 employees in 466 roles. These substantial sample sizes gave the Authority confidence that the survey data was appropriate for the task at hand. The Authority used this data to research what other roles in the market were being paid for various multiples of the average wage calculated according to paragraph [39](#). The research comparisons were focused on the role of an ordinary MP, the intention was to use that role as the baseline for all the other Parliamentary roles at a later stage of the review.
46. The commercial surveys report remuneration on several levels taking into account benefits and variable pay. For the comparisons that the Authority needed to make, the base salary level was utilised because this is the cash component of remuneration without any component of benefit values or variable pay being incorporated. This aligned with the requirements of the MOP Act, where the Authority is required to determine salaries and allowances of MPs (see [112](#) - [119](#) for how personal benefit was taken into account). The average wage is also effectively a base salary measure.

Comparable roles

47. Because this review was being conducted on a green-fields basis, the existing MPs' salary was not the appropriate comparator - the purpose of the review was to determine what the MP's salary should be in accordance with s 18(1)(a) and s 18(2)(b) of the Act, without reference to current salary. The Authority therefore investigated this matter in four steps. Where the roles identified in step 2 did not meet the test in step 4, a revised potential benchmark was chosen and steps 2 to 4 repeated until the test was passed.

Step 1: A potential benchmark was established for investigation; and

²⁸ Note: both surveys are the proprietary property of the companies concerned so the Authority has not disclosed detail that would breach their commercial rights. The outcome of the Authority's investigations relating to this data is only reported in generalised form for that reason.

- Step 2: Market salary data was accessed to ascertain the roles which were currently being paid at that benchmark level; and
- Step 3: The requirements of the positions of MP ([Appendix C](#) and paragraphs [22](#) and [23](#)) were compared to the requirements of the roles identified in step 2; and
- Step 4: A decision was made as to whether the roles concerned had met a test stated as, remuneration and conditions of employment that are, in the opinion of the Authority, comparable with those of MPs (this test was derived from s 18(2)(b) of the Act).

48. The Authority conducted three separate analyses using the data from the two surveys; seeking to find a market position where the test in Step 4 of paragraph [47](#) was fully met. For each market test, a range of about 3% above and below the benchmark was calculated in order to produce a small range to provide reasonable sample sizes for the analysis.
49. Note: in all the tests conducted, none of these roles needed anywhere near the level of representation and advocacy requirements of the MP's position (see paragraph [23.a](#)) so this aspect is not specified in the reporting of the comparisons below. Some of the comparator roles had advocacy requirements (there were employment relations and management roles in the samples) but not to anywhere near the levels required of MPs; Also, none of the comparator roles had a similar scope of influence to MPs (see [23.b](#)); this was to be expected because the MP's scope is very broad. Consequently, neither of these aspects is specified in the reporting of the comparisons below.

Test 1: 2 times average wage

50. The Authority first analysed the alignment of the ordinary MP position at 2 times the average wage. This figure is very close to the existing ordinary MP's annual base salary (\$163,961) so was the obvious position to begin. This allowed the Authority to test whether the current salary remained appropriate or was too high or too low. Twice the average wage (at June 2023) was \$164,444 so this became the first potential benchmark and the base salary range around $\pm 3\%$ used was \$160,000 to \$170,000. There were just over 800 roles in the Korn Ferry survey and just under 700 roles in the Strategic Pay survey²⁹ earning a base salary within that range. All were a mixture of private and public sector roles. Most of the roles within the range were able to be categorised as experienced technical, specialist or middle managers. None of the roles were senior managers but nor were they operational level roles. The Authority carefully considered the requirements of all the roles in these categories in each survey to ascertain how they compared with the requirements of the MP's position as outlined in paragraphs [22](#) and [23](#) and [Appendix C](#).
51. The analysis resulted in the Authority reaching an opinion that the "requirements of the positions" (s 18(2)(a) of the Act) for these roles were generally a little lower in many aspects to the requirements of the position of MP (see paragraph [23](#)). There were some areas where the level of responsibilities were similar but particularly in relation to intellectual challenges, communications competence and financial acumen, the position of MP has higher level requirements than these comparator roles (also see paragraph [49](#)). The Authority concluded that this analysis proved that a base salary level of 2 times the average wage did not fully meet the test in Step 4 of paragraph [47](#) because the requirements of the MPs' positions were generally greater.

²⁹ It should be noted that, while the two companies are completely detached from each other, and are in fact competitors, neither survey is completely independent of the other; several organisations submit their employee data to both companies so there will be some double-up in the roles reported, although the number is not known.

Test 2: 2.05 times average wage

52. Because the analysis of the first potential benchmark showed that the comparator roles were lower, but not a long way off being comparable, than the requirements of MPs' positions, the Authority secondly analysed the alignment of the ordinary MP salary at 2.05 times the average wage. 2.05 times the average wage (at June 2023) was \$168,555 which became the second potential benchmark and the base salary range around $\pm 3\%$ used was \$164,000 to \$174,000. There were just over 900 roles in the Korn Ferry survey and just over 1,450 roles in the Strategic Pay survey earning a base salary within that range. All were a mixture of private and public sector roles. Most of the roles were able to be categorised as senior technical, senior specialist or upper-level middle managers. These roles were generally a step up in their role requirements from those identified in the first analysis. Whilst there are obvious differences in the requirements of these roles, both between each other and, in comparison to the requirements of the position of MP, the Authority found a close match in a most areas (also see paragraph [49](#)). The analysis the Authority undertook reached the following conclusions:

- a. These roles require a substantial body of knowledge to be held by the incumbent to complete the work requirements. The analysis determined that the comparator roles' requirements in this regard are generally at a similar level to the MPs' requirements (see paragraph [23.c](#)); albeit the actual knowledge content will differ in most instances.
- b. These roles require several years in other roles in the workforce to gain the experience necessary to complete the work requirements. The analysis determined that the comparator roles generally required a similar sized body of experiences as is required of MPs (see paragraph [23.d](#)); albeit the actual experiences will differ in most instances.
- c. These roles have intellectual challenges of a complex nature, they regularly need to resolve serious complex problems, understand multifaceted systems and processes and produce innovative solutions. The analysis determined that the comparator roles have intellectual challenges that are generally at a similar level to those that MPs regularly deal with (see paragraph [23.e](#)); albeit the actual content of those challenges will differ in most instances.
- d. These roles have a significant level of freedom-to-act within the scope of their role, they would not need to gain a superior's permission to undertake most normal aspects of their work. The analysis determined that the comparator roles generally had a similar level of freedom-to-act as is required of MPs (see paragraph [23.f](#)).
- e. These roles require highly developed interpersonal communications ability for interacting with superiors, peers, subordinates, customers and suppliers. The analysis determined that the level of interpersonal communications capabilities needed for successful undertaking of the comparator roles was generally somewhat similar to MPs' positions (see paragraph [23.g](#)) although the MP's job may require some more extensive skills in this area given their intensive interaction with the public and the media.
- f. Most of these roles have, at least some, staff management responsibilities and those that do not would be highly technical roles where other aspects imposed higher level needs. The analysis determined that the comparator roles have staff management requirements that are generally at a similar level to those of MPs (see paragraph [23.h](#)); albeit there would be a lot of variation in this aspect.

- g. Most of these roles need a high level of financial expertise because they have considerable requirements to manage revenue and/or expenditure and many probably have the overall accountability for a budget. The analysis determined that the comparator roles have financial expertise requirements that are generally at a similar level to those of MPs (see paragraph [23.i](#)); albeit there would again be a lot of variation in this aspect given that many of the comparator roles were specialists and others were managers.

- 53. In the opinion of the Authority, the conditions of service (including remuneration level) that are enjoyed by the persons in the roles identified within this salary range ($\pm 3\%$ around 2.05 times the average wage) in the two surveys are generally comparable to the requirements of the position of MP. Therefore, the Authority concluded that this analysis showed that a remuneration level of 2.05 times the average wage was very close to fully meeting the test in Step 4 of paragraph [47](#) because many of the requirements of the MP's position and the comparator roles were generally similar.

Test 3: 2.1 times average wage

- 54. The Authority had found a reasonably close market match in the above analysis. It was prudent to test one further range because the result reported in paragraph [53](#) could be confirmed if the next step up in average wage market comparison showed that the comparator roles in the surveys had higher requirements to the position of MP. The Authority therefore analysed the alignment of the ordinary MP position at 2.1 times the average wage as a step up from the second analysis. 2.1 times the average wage (at June 2023) was \$172,666 which became the third potential benchmark and the base salary range around $\pm 3\%$ used was \$168,000 to \$178,000. There were just over 900 roles in the Korn Ferry survey and just under 3,200 roles in the Strategic Pay survey earning a base salary within that range. The Strategic Pay sample size was higher for this range of salaries because there was a group of just over 1,700 roles in the range that were classified as Senior Specialists. All were a mixture of private and public sector roles. Most of the roles were able to be categorised as very senior technical, very senior specialist or first level of senior management roles in large organisations. These roles were generally a step up in the requirements of the role from those identified in the second analysis.
- 55. The Authority's analysis of the requirements of these roles in comparison to the requirements of the MP's position was that these roles had several higher requirements to the position of MP (with the notable exception outlined in paragraph [49](#)) so exceeded the test in Step 4 of paragraph [47](#) and were therefore not applicable comparators.

Conclusion on relativity

- 56. Overall, the analyses has shown:
 - a. The PPP analysis in [Table 1](#) and the comparison of overseas MPs pay against the average/median wage in [Table 2](#), along with the Australian state and territorial MPs' salaries PPP analysis in [Table 3](#), showed that (with some caution) the New Zealand ordinary MP's salary was less than the salary levels of those comparisons;
 - b. Roles in the New Zealand all sectors market that are paid base salaries around a $\pm 3\%$ range of 2.05 times the average wage (\$164,000 to \$174,000) have requirements of their positions that are generally comparable with the requirements of the MP's position, whereas neither comparison at the next level down (2 times the average wage) or the next level up (2.1 times the average wage) create as close a match in requirements.

57. Alignment of the annual salary of the ordinary MP, which is paid to the identified group of roles in the two surveys in the range around $\pm 3\%$ of 2.05 times the average wage, would meet the need to achieve and maintain fair relativity with levels of remuneration being received elsewhere (as required by s 18(1)(a) of the Act); provided that level of remuneration also meets tests relating to compliance with s 18(1)(b)&(c). **That level of annual salary for the ordinary MP would be \$168,600 per annum (rounded).** This is an increase of 2.8%.

Country/State/Territory	2023 Salary (home currency)	Salary (\$US) [2022 OECD PPP]	% of New Zealand MP's salary (PPP)
NZ MP (new - paragraph 57)	\$168,600	\$116,036	
UK MP	£86,584	\$133,002	115%
AUS MP (Federal)	\$225,750	\$164,661	142%
Canada MP (Federal)	\$194,600	\$167,039	144%
Ireland MP	€108,987	\$147,679	127%
ACT	\$183,299	\$133,697	115%
NSW	\$172,576	\$125,876	109%
NT	\$166,763	\$121,636	105%
QLD	\$176,909	\$129,037	111%
SA	\$198,276	\$144,621	125%
TAS	\$140,184	\$102,249	88%
VIC	\$198,839	\$145,032	125%
WA	\$166,724	\$121,608	105%

Table 4 - Comparator countries/states MPs' salaries with new NZ MP's annual base salary (rounded)

58. [Table 4](#) shows the relationship with the chosen comparators used earlier in this report (see [Table 1](#) and [Table 3](#)). The new annual base salary for the New Zealand ordinary MP has not increased markedly from the salary in the current determination. It remains less than all the four comparator countries' MPs salaries and still less than seven of the eight state/territory MPs in Australia – albeit not by much in two cases. The new rate for the New Zealand MP's annual base salary accords very well with what other roles in the New Zealand market are paid that have generally comparable levels of responsibility (see paragraphs [50](#) to [55](#)) as legislatively required by ss 18(1)(a) and 18(2)(b) of the Act. **The Authority is confident that this outcome is appropriate in accordance with the Act's criteria.**

MPS WITH ADDITIONAL RESPONSIBILITIES

59. Schedule 1 of the current determination lists all the parliamentary positions that have additional responsibilities over and above those of an ordinary MP. These positions are paid varying amounts of additional annual salary. The Authority attempted to replicate the

market alignment system used to set the initial salary for the ordinary MP (see [Fair relativity](#)) in the 2024 determination for two of those positions, being: the Prime Minister and Cabinet Ministers (listed in sch 1 as “Executive Council and Minister in Cabinet”). These were obvious choices because: the Prime Minister is the most senior position in the Parliament and the Government; and there can be over twenty Cabinet Ministers, the greatest number of positions with additional responsibilities. These positions accept collective Cabinet responsibility for all the vital decisions about the administration of the government and each Cabinet Minister leads several important portfolios. If the market salary alignment system used to achieve fair relativity with the ordinary MP’s salary could be replicated for these two positions the Authority could “achieve and maintain fair relativities with remuneration being received elsewhere” (s 18(1)(a) of the Act) at three touch points in the list of positions: one at the top of the list; another at the bottom; and a third where the largest number of highly responsible positions exists.

60. Unfortunately, that was not able to be achieved. As outlined earlier in this report, the comparison of the requirements of the ordinary MPs’ position to base salary rates in the commercial salary surveys found many generally comparable roles within the range. The sample sizes were sufficiently large in each case that the Authority had considerable confidence in the validity of the comparisons. When a similar investigation was conducted into roles receiving around \$300,000 base salary per annum (i.e., within the existing range of a Cabinet Minister’s salary) there were unacceptably low sample sizes for confident outcomes and there were even fewer roles in the samples when attempting to align the Prime Minister’s salary to those surveys. The Authority is aware that there are numerous roles in the New Zealand market paid within and above those ranges, but that data is obviously not available to the commercial salary survey providers. The Authority therefore had to look elsewhere to seek assurances relating to the salaries for these positions.

Prime Minister

61. The Authority investigated comparisons of the Prime Minister’s salary using data for the previously identified comparator countries and Australian states and territories (see Salary and Purchasing Power Parities comparisons). [Table 5](#) shows the percentage of each Prime Minister’s, Premier’s, or Chief Minister’s salary compared to the ordinary MP in the country, state, or territory concerned. The Authority used caution with this information because a percentage comparison of this sort can be a little misleading. As shown in [Table 1](#) and [Table 3](#), most of the MPs’ salaries in the comparator countries, states, or territories are higher than the New Zealand MP’s salary. Therefore, the New Zealand Prime Minister’s higher percentage may partially be due to the lower MP rate upon which the calculation was based. However, the New Zealand Prime Minister also leads a government operating within a unicameral Parliament without an upper house to assist and without any state or territorial governments with which to share power and responsibility. Therefore, there is some logic to the higher percentage based on greater responsibilities.

Prime Minister, Premier, or Chief Minister	2023
NZ PM % of ordinary MP	287%
UK PM Salary % MP	193%
AUS PM Salary % MP	260%
CAN PM Salary % MP	200%
Ireland (PM equiv) Salary % MP	215%
VIC Premier Salary % MP	207%
QLD Premier Salary % MP	251%
NSW Premier Salary % MP	195%
WA Premier Salary % MP	226%
TAS Premier Salary % MP	215%
SA Premier Salary % MP	200%
NT Chief Minister % MP	200%
ACT Chief Minister % MP	210%

Table 5 - Various PMs'/Premiers' salaries as % of their MP's salary

62. The Authority then compared the actual (home currency) and PPP-adjusted salaries of those Prime Ministers, Premiers, and Chief Ministers (see [Table 6](#)). The rate of salary of the UK Prime Minister stood out as unusual. This role is paid significantly less than the other three Prime Ministers and three of the five Australian State Premiers, which is surprising. Research showed that one reason for this disparity was that all the other Prime Minister (or equivalent) roles have their salaries set independently and so are all MPs' salaries including the UK. However, the UK ministerial salaries are able to be set by the Government and these salaries were reduced in 2011 then frozen for a considerable period³⁰.
63. Excluding the UK, [Table 6](#) shows that the New Zealand Prime Minister is paid: one third less than the Australian Prime Minister; slightly less than the Canadian Prime Minister; the same as the Queensland Premier; a little more than the Irish Prime Minister (equivalent); and about a third more than the New South Wales State Premier.

Country/State/Territory	Salary	\$US (PPP)	PPP as % of NZ PM
New Zealand	\$471,049	\$324,191	
United Kingdom	£167,391	\$257,129	79.3%
Australia	\$586,950	\$428,118	132.1%
Canada	\$389,200	\$334,077	103.0%
Ireland	€233,828	\$316,840	97.7%
Victoria	\$411,710	\$300,299	92.6%
Queensland	\$444,663	\$324,335	100.0%
New South Wales	\$336,523	\$245,458	75.7%
Western Australia	\$377,485	\$275,336	84.9%
Tasmania	\$301,396	\$219,837	67.8%
South Australia	\$396,552	\$289,243	89.2%
Northern Territory	\$333,526	\$243,272	75.0%
ACT	\$384,928	\$280,764	86.6%

Table 6 - PMs and Premiers' salaries comparisons with NZ PM

³⁰ Richard Kelly, 'Members' pay and expenses and ministerial salaries 2022/23', *House of Commons Library* (London: UK Parliament: 2023).

64. The Authority noted that all the comparison Prime Ministers, Premiers, and Chief Ministers would regularly interact with many senior public service executives who would be receiving higher remuneration (sometimes substantially higher) and the salaries provided to those political leaders would be substantially less than remuneration being received by large numbers of private sector executives in the country/state concerned. That indicates a consistently conservative approach in these democracies to the rate of remuneration being provided to political leaders. The Authority was not able to find any credible documentation that explains the rationale for this situation. The Prime Minister of New Zealand is undoubtedly the largest job in the country regardless of what system is used to determine job-size, and the same would apply to the Prime Ministers of the other four comparator countries. The Authority therefore concluded that there is a consistently conservative approach taken across most similar democracies to payment of the Prime Minister. This is a factor that must inform the Authority's consideration when implementing s 18(1)(a) of the Act and attempting to "... have regard in particular to the following criteria: (a) the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere;". In relation to the Prime Minister's salary, "elsewhere" includes leaders of other Westminster style democracies.

Prime Minister comparison to public and private sector senior roles

65. The Authority then looked at what some New Zealand public sector chief executives are paid. Note that the publicly available information from which these figures were obtained does not provide base salary, so these are remuneration figures (including superannuation subsidy). The conclusion reached above, relating to other Prime Minister salaries being conservative in comparison to senior public officials, is shown to also occur here.

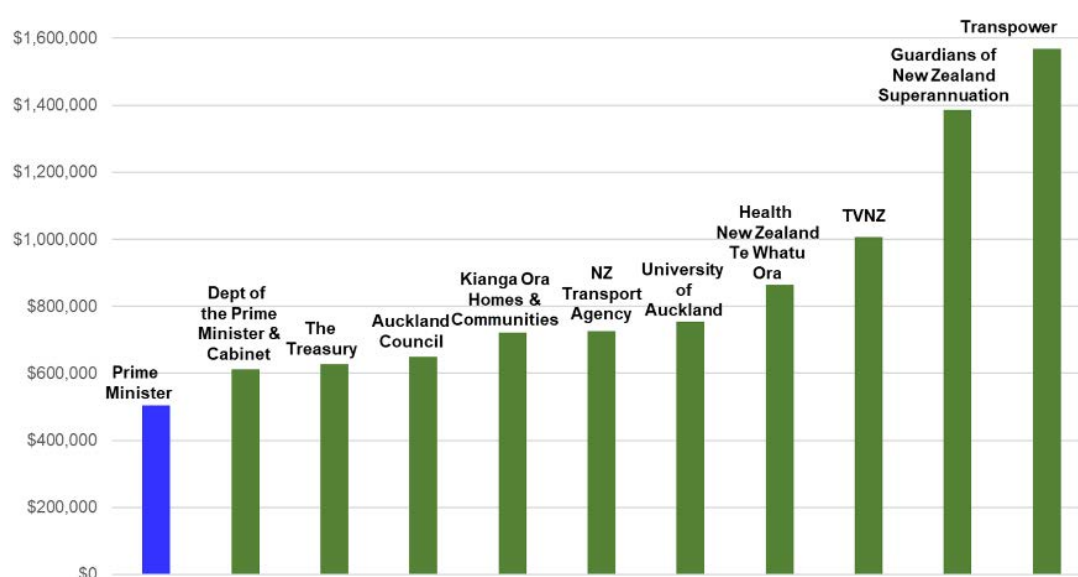


Figure 1 - Prime Minister's salary compared to remuneration of selected Public Sector CEOs³¹

66. The Authority then investigated what some New Zealand private sector CEOs are paid. Once again, only publicly available information was used, obtained from the organisations' annual reports. This further reinforced the conclusion reached in paragraph 64 above that Westminster style democracies pay their political leaders conservatively.

³¹ All information obtained from the Public Service Commission website or the organisation's annual report.

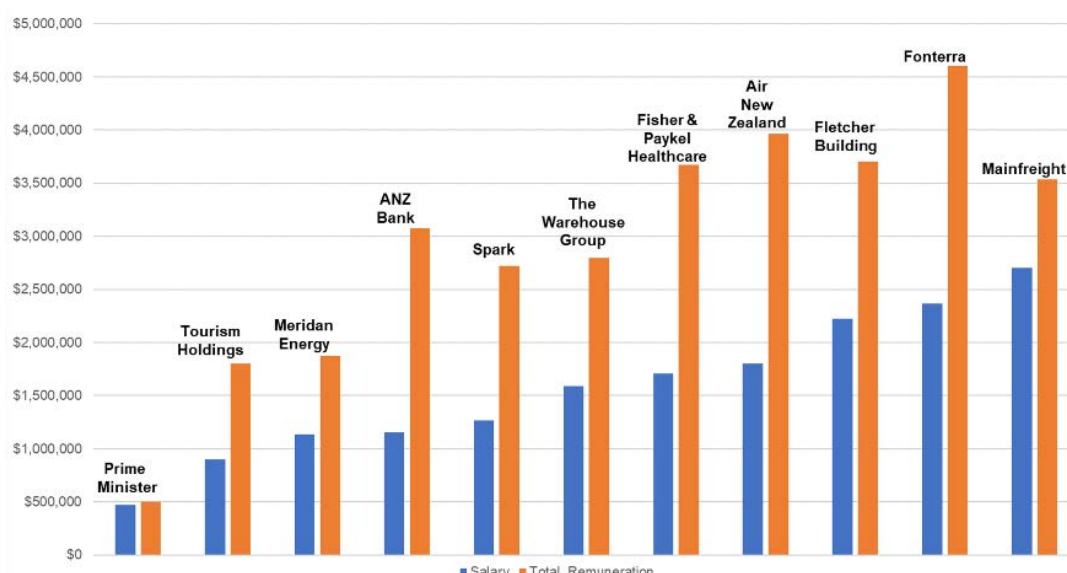


Figure 2 - Comparison remuneration of Prime Minister with Private Sector CEOs³²

67. More widespread research showed that the Prime Minister is paid well below what private sector CEOs of medium to large organisations are paid in New Zealand. McGill and Brieseman (2020)³³ compared 545 New Zealand CEO roles' remuneration with the Stats NZ median hourly earnings, which was \$27 in June 2020³⁴. That calculates to an annual median wage of \$56,160 per annum that year. McGill and Brieseman (2020) reported that the median remuneration of CEOs of organisations with over \$1 billion per year of revenue was the highest multiple at 20 times the median wage (over \$1.12 million) and the median remuneration of CEOs of organisations with revenue of less than \$10 million per year was the lowest with just over 4 times the median wage (about \$225,000 per year). So, the salary of the Prime Minister (\$471,049 in 2020) was less than half the median remuneration of CEOs of large New Zealand organisations and just over twice the median remuneration of CEOs in small organisations.
68. There has not been a major change in the responsibilities of the role in recent times and there was not a strong representation from anyone for the Prime Minister's salary to be adjusted to a different proportion of the rate for the ordinary MP, therefore, the Authority decided to maintain the existing ratio. This decision was in line with the Authority's decision to be prudent given the current state of the economy (see paragraph 21). This will inevitably be a subject for further research at the next s 19(6) review following the next general election.

Cabinet Ministers and other positions with additional responsibilities

69. Given the decision made in relation to the Prime Minister's salary above, and that the Authority did not receive any strong representations to significantly alter the rate or salary for Cabinet Ministers, it decided to also maintain the Cabinet Minister's salary in a similar ratio to the ordinary MP's salary as applies in the existing salary schedule.
70. That decision also flowed through to most of the other positions with additional responsibilities where the ratio between what they are paid under the current determination and the 2024 determination has been maintained (note that rounding may have slightly

³² All information obtained from the published 2023 Annual Reports of the company concerned.

³³ McGill, J., & Brieseman, L. (2020) *CEO pay: relativities, multiples and an endless debate* in: Pay at the top: senior executive and board remuneration in New Zealand. Auckland: Strategic Pay Limited. Pp 13-16.

³⁴ Stats NZ, 'Labour market statistics (income): June 2020 quarter', Stats NZ (Wellington: Stats NZ: 2020).

altered some of those relationships). The only positions where different decisions were made were the Leader of the Opposition, party leaders, deputy leaders, co-leaders and party whips.

Leader of the Opposition

71. Under the Standing Orders of the House of Representatives 2023, the leader of the largest party in terms of its parliamentary membership that is not in Government or in coalition with a Government party is entitled to be recognised as Leader of the Opposition. It is an important constitutional office and is a member of the Parliamentary Service Commission, New Zealand Lottery Grants Board, and the Waitangi National Trust Board. The position also has a special status on intelligence and security matters. Finally, the Leader of the Opposition takes precedence on the Opposition side of the House in major parliamentary debates³⁵.
72. The Authority understands that the current relationship between the salary of the Leader of the Opposition relative to an ordinary MP was established in 1978, when a “first past the post system” was in place, with far fewer parties represented in Parliament than in today’s MMP environment. The current MMP Parliament has three separate opposition parties, and there is the possibility that this could become a normal situation. The Authority has received submissions over the past few years that indicate that other parties in opposition do not perceive the Leader of the Opposition to have any leadership influence over them or their views. That is a major difference to the earlier system. The Authority believes that MMP has caused the nature of this leadership role to change and that its salary relative to other party leaders is overstated. The Authority thinks that the gap should narrow, possibly significantly. However, the extent of that change is not yet clear. Hence, at this time and as a first step, the Authority has decided to increase the Leader of the Opposition salary by a lesser amount than other party leader positions. The Authority will further investigate and address this issue in its review following the next general election and will call for specific submissions on this topic at that time.

Party leaders, deputy leaders, co-leaders and whips

73. The current and previous salary schedules outlined payments for party leaders, deputy leaders and whips that related to party size. These involved a base salary with additional, and differing, per-member rates for ranges applying at particular threshold levels. This system was cumbersome, not transparent, and not easy to understand or administer. Additionally, it did not provide for payments for co-leaders which are now well-established party leadership positions. The Authority was not able to identify the origin and basis of the current system, nor of the threshold levels within it.
74. This review has introduced a more straightforward and comprehensible structure in this area. It continues to recognise differing party sizes but with fewer ranges. It provides for a fixed payment within each range. The Authority considers that this structure better represents the current and future make-up of Parliament (to the best of its ability to assess this) and recognises the differing relative responsibilities that result from party size. The ranges specified are: less than 5 MPs; or 5 or more MPs; or 10 or more MPs; or 25 or more MPs. Higher ranges are generally unnecessary for these party leadership positions, because most position holders in larger parties are likely to hold other higher paid offices, such as ministerial positions or Leader of the Opposition. In relation to whips, larger parties are able to remunerate additional whips. In setting the new structure, the Authority was

³⁵ *McGee Parliamentary Practice in New Zealand*, ed. by David Wilson and David Bagnall, 5th Edition (Clerk of the House of Representatives, 2023), pp. 56 - 57

keen to ensure that no position was disadvantaged when compared to what it may previously have been paid, and that the relativity of these positions with other designated positions for members was generally maintained and appropriate. Irrespective of this objective, s 24 of the Act (see [Appendix A](#)) prevents any person from receiving a lower rate of remuneration than they are already receiving.

75. Previous determinations had “entry” threshold levels in place for paying a member as a party’s deputy leader. Essentially, a member could not be paid as a deputy leader unless the party had 25 or more members. These restrictions have been removed for the 2024 determination. In a MMP Parliament with multiple parties, and because leadership structures may differ between parties, the Authority considered this a fairer and more consistent approach.
76. The current determination (and earlier ones) did not provide for the position of a party co-leader. The Authority has determined that co-leaders should be paid half the sum of the applicable salaries for a party leader and a deputy leader (note that there can only be two co-leaders per party - and a party may not pay both co-leaders and a deputy leader under the new system). This means that total leadership cost is the same for parties of a similar size irrespective of leadership structure and ensures that remuneration does not drive these structure decisions.

FAIRNESS TO MPS AND TAXPAYERS

77. Section 18(1)(b) of the Act, as it applies to MPs, requires that the Authority, when determining remuneration for MPs, shall have regard in particular to the need to be fair both to the MPs and to the taxpayers. Within this review the Authority noted that these provisions must be applied to:
 - a. Achieving and maintaining fair relativity between the ordinary MP’s salary and the levels of remuneration being received elsewhere for the initial salary schedule in the 2024 Determination; and
 - b. Achieving and maintaining fair relativity between the salaries of MPs with additional responsibilities and the levels of remuneration being received elsewhere for the initial salary schedule in the 2024 Determination; including the review of the structure of the salaries’ schedules and the way that some additional salaries are calculated for MPs with additional responsibilities; and
 - c. Calculating and applying the personal value or potential value of benefits accruing from services received as an MP; and
 - d. Calculating the outyears’ schedules of salaries; and
 - e. Calculating the four allowance schedules for the 2024 Determination.
78. In applying those criteria, the Authority primarily utilised what is known within remuneration management as the “felt fair test”. This was specifically applicable given that fairness was the underpinning requirement of this section of the criteria. That test requires the Authority to consider all the relevant aspects of the item and, taking all things into account, answering the question, “is this fair in the entirety of the matter being considered?”

The salary of the ordinary MP

79. In applying the felt fair test to the salary of the ordinary MP, the Authority considered all the material related to the responsibilities of MPs (see [Appendix C](#) and paragraph [23](#)) and the

comparisons made against roles in the marketplace reported in the two commercial salary surveys (see paragraphs [45](#) to [55](#)). The Authority had specifically defined nine generalised aspects of the position of MPs and compared those to the similar responsibilities of the roles within the salary survey ranges that were measured. The Authority documented that the first two generalised aspects (Representation and Advocacy and Scope of Influence) strongly favoured MPs over the comparison roles; and the other seven aspects with the comparison roles found general alignment with MPs in the successful comparison test; therefore, the felt fair test was passed. That the MPs' position had the two aspects that were more favourable to them over the comparisons was a feature of the Authority being prudent in the comparisons made. That also felt fair because it was better that the comparisons were prudent (as decided in paragraph [21](#)) rather than injudiciously radical in the comparison process.

Salaries of MPs with additional responsibilities

80. There were three aspects relating to those MPs who have additional responsibilities:
 - a. There were positions (outlined in paragraphs [73](#) to [76](#)) where the existing salary schedule was overly complex and confusing. These were party leaders, deputy leaders and whips. A base salary was specified and then various different amounts added for additional MPs in that party depending upon numbers. A new set of much simplified salaries based on ranges has been determined for these positions.
 - b. There were several positions where no substantial change was made to the relationship of those positions' salaries to the rate for an ordinary MP.
 - c. The current determination did not provide for any specific salary for co-leaders. These positions have existed for some time, but the past determinations had not enabled the Authority to make provision for them for various reasons. This was the opportunity to do so.
81. The Authority determined that the rates set out in [Appendix D](#) were fair to both the MPs concerned and the taxpayer in each case because:
 - a. All the revised rates for party leaders, deputy leaders and whips are now far more transparent; the rates do not substantially increase what those MPs were receiving under the old system; and none of those MPs receive a decrease under this system.
 - b. The salaries for the other positions with additional responsibilities have been substantially maintained at the same level relative to the ordinary MPs' salary.
 - c. Co-leaders salaries have been determined as half of the sum of the applicable party leader and deputy leader salaries. The total leadership cost is the same, which ensures that remuneration does not drive decisions on leadership structures for parties.

Value of personal or potential personal benefits

82. The Act and the MOP Act require the Authority to calculate the potential personal benefit as well as the actual personal benefit of services provided to MPs and Ministers. The Authority was aware that although services are available to all MPs, some will utilise these far more extensively than others, and others will not utilise them very much, if at all (e.g. Wellington-based MPs), therefore the value of personal benefit will vary according to individual circumstances.

83. It must be noted that personal or potential personal benefits are not a cash payment to the MPs concerned. They are calculated and declared as a means of transparently declaring what the package cost is to the taxpayer of the position concerned. Therefore, the benefit values will be specified in the Explanatory Memorandum to the 2024 determination. That is fair to MPs because the value is not deducted from the salary and it is fair to the taxpayer because it transparently declares the package cost.
84. MPs also receive a superannuation subsidy which is specified in a separate determination. There are no other benefits provided to MPs; the substantial other benefits that once accrued to MPs were eliminated many years ago.

Calculating the outyears' schedules of salaries

85. The outyears schedules have been informed by a prudent application of the forecasted increases from authoritative sources (which used the Stats NZ LCI) for each year in question (see [96](#)). All three increases have been discounted from the forecasts: firstly, because the forecasters themselves advise caution in the use of these figures; secondly, because that was the recommendation from the research that the Authority commissioned; and thirdly, because the Authority had decided to take a prudent approach. All three increases that the Authority has applied to the salaries for the outyears are below what was forecast by the various agencies. This is fair to both MPs and the taxpayers in the Authority's opinion.

Calculating the basic expense allowance

86. The extended MPs salaries freeze, over the six years to 14 October 2023, also applied to the allowances. During that time, there had been substantial price inflation (CPI). Remuneration specialists do not directly utilise the CPI in setting wages, because wage inflation is a more useful and direct comparative measure for that purpose. The Authority has traditionally utilised CPI as a measure to inform movement of the allowances. The allowance is used to purchase miscellaneous items that are essential for the MP to perform their Parliamentary purposes and the CPI is the most relevant general indicator of movements in the price of goods and services that is publicly available.
87. The Authority has, once again determined allowance levels that are deliberately prudent given the current state of the economy (see paragraph [21](#)) and utilised those increases for the four allowance schedules of the 2024 determination. The Authority believes that the amounts determined are fair to both MPs and taxpayers.

RECRUITMENT (ATTRACTION) AND RETENTION

88. Section 18(1)(c) of the Act requires that the Authority must have regard in particular to the need to recruit and retain competent persons. The Authority noted that there could be numerous matters impacting upon the recruitment and retention of competent persons to become MPs, salaries is only one of those. Another is the sense of public service that MPs obtain through their work (see paragraph [6.b](#)). The Authority noted that MPs are not recruited in the normal sense of that word, the word attraction is probably a more accurate term. Retention, in relation to MPs' salaries, is also limited to voluntary resignations from Parliament because election loss is not something that could in any way be impacted by salary levels. There is no substantial data gathered about these matters, so the Authority relied on anecdotal material and media reports to assess this issue.

89. The fact that there were many individuals wanting to be elected at the last general election (as has been the case in all recent general elections) was not, of itself, sufficient proof that there was not an attraction problem. The Authority needed to test the diversity and profiles of those who did gain election and seek other evidence relating to the impact of salaries on attraction of competent people. In considering whether pay is a barrier to entry to Parliament, an analysis needed to be undertaken about the types of roles people leave to enter Parliament, so the Authority could assess whether the salaries are sufficient to attract a range of individuals but not so high as to be the chief attraction. The Authority was aware that it is difficult to accurately assess attraction and retention issues given that people enter or leave politics for many reasons, most unrelated to salary.
90. Following the last general election, Blackland PR³⁶ undertook an analysis of the background of those elected as MPs. The analysis found that the 123 members have had 248 careers between them with most MPs having two distinct professions before being elected to Parliament. 88% of the careers were in social, community and service-related employment categories. Blackland PR said, *“The most notable change in this Parliament is the fall in the number of MPs with working backgrounds in the education sector, and the increase in the number of MPs with agricultural backgrounds. ... A distinctive factor about this Parliament is that half of the MPs studied arts, humanities or law at university, and before entering Parliament 35% of them worked mainly in roles funded by the Government. ... Now we can say that the most likely path MPs take into Parliament is to grow up in and go to school in affluent neighbourhoods (decile 7 or above), go to University and study humanities or law, where they get involved in political activity, work in about three white collar jobs – probably funded by the Government, while standing twice for an electorate or list seat, before finally entering Parliament in their early to mid-forties.”*
91. The Authority noted that some MPs have voluntarily left Parliament over the past years, often List MPs so the next person on their party’s list entered in their place, or more rarely Electorate MPs who create the need for a by-election. The Authority does keep a watch on these events because the reasons that the MPs leave is useful information. There has not been a single case that the Authority knows of where the retiring or retired MP has identified inadequate pay for their decision.
92. The Authority concluded that there is no evidence to suggest that salary levels are either a barrier or an unrealistic incentive to people taking on or leaving the position of an MP at the present time.

OUTYEAR SCHEDULES

93. Section 19(8) of the Act requires the Authority to specify the salaries following the election and forward determine salaries for the outyears. This effectively means that the Authority must specify salary schedules in the 2024 determination for the following periods:

Current Year

- a. the period beginning 15 October 2023 and ending on 30 June 2024; and

Outyears

- b. the period beginning on 1 July 2024 and ending on 30 June 2025; and
- c. the period beginning on 1 July 2025 and ending on 30 June 2026; and

³⁶ Blackland Public Relations, ‘NZ 54th Parliament: MP career report analysis’, Blackland PR (Wellington: Blackland PR: 2024).

- d. the period beginning on 1 July 2026 and ending on polling day for the next general election.
94. The Authority was aware that a prudent approach may limit increases that would otherwise have been appropriately applied but, as reported in paragraph [42](#), methodology adopted provides for a “reset button” that would enable the Authority to resolve any such problem after the next general election, should it occur and be deemed appropriate to do so.
 95. The decisions the Authority has taken in respect to annual determinations for most of its clients have been informed by changes in wage inflation (LCI). In effect the LCI represents changes in the cost of labour for the same job done to the same standard. Hence, the Authority deemed that this was also an appropriate and fair approach to setting MPs’ salaries for the outyears, however it necessitated examining future predictions of the LCI, preferably those for the all sectors measure (see [35](#) for an explanation of the choice of this measure) from authoritative sources.
 96. The LCI all sectors predicted movements for the year to June 2024 were generally close to 3.5%. After taking account of two factors (previously highlighted in this report): (a) the forecasters themselves advise caution in use of predictions; and (b) the Authority’s sponsored research had concluded that confidence in predictions reduces as the time periods extends, the Authority decided to apply a prudent 2.9% increase at 1 July 2024. Using the same cautious approach and recognising that confidence in forecasts reduces the further out they apply, the Authority decided that the prudent approach was to also apply a reduced figure from the forecasts for the outyears. The decisions were to apply 2.4% from 1 July 2025 and 2% from 1 July 2026.
 97. The Schedules that will be incorporated in the 2024 determination for the four time periods are outlined in [Appendix D](#).

BASIC EXPENSE ALLOWANCE

98. The MPs’ expense allowance was introduced in 1944. The purpose of the allowance was “to provide for expenses incurred in connection with MPs parliamentary duties”³⁷. In 1974 the Wage Adjustment Regulations, and subsequently the Higher Salaries Commission Act 1977³⁸, vested responsibility for the determination of parliamentary salaries and allowances solely in the Higher Salaries Commission³⁹ (the Commission). The Commission issued its first Parliamentary Salaries and Allowances Determination in August 1978. It set the basic expense allowance for MPs at the rate of \$4,600 a year⁴⁰. The explanatory memorandum appended to the 1978 Determination stated that the MPs’ basic expense allowance is “provided to meet costs of administrative and typing services in the electorate, additional expenses above the normal in respect of clothing, hospitality, donations and the like, and car running on parliamentary as distinct from purely electorate business.” Car running costs made up a sizeable proportion of the allowance. Electorate travel expenses were covered by a separate electorate allowance.
99. A discussion paper completed by the Commission in 1988 on Parliamentary salaries and allowances said that the *“expense allowance is common practice in the private sector and not unusual in the public sector (e.g., principal allowances). It is intended to cover a wide*

³⁷ Section 24(2) of the Finance Act (No. 3) 1944.

³⁸ Since retitled as the Remuneration Authority Act 1977.

³⁹ Since retitled as the Remuneration Authority.

⁴⁰ Clause 9(a) of the Parliamentary Salaries and Allowances Determination 1978.

range of work-related costs which are not easily or conveniently itemised for reimbursement. Such expenses in the case of members include, inter alia: [part of] entertainment [costs] (of constituents, visitors, official etc) outside or at home, the cost of maintaining an expected standard of dress (for member and [partner]), subscriptions, club fees, donations (koha), journals and books, cost relating to interviewing constituents and preparing reports at home, minor disbursements and out-of-pocket expenses in Wellington and elsewhere etc.” Following the release of the discussion paper, the basic expense allowance for ordinary MPs was set at the rate of \$5,500 a year⁴¹.

100. In the 2001/2002 year, recommendations were made during two reviews⁴² of the remuneration and expenses of MPs that led to the passing of the Remuneration Authority (Members of Parliament) Amendment Act 2002. This Act provided for a “salary package” approach to members’ remuneration. In its first Determination following the passing of the 2002 Act, the Authority said, in the explanatory memorandum appended to the Determination, that it had jurisdiction solely for the basic expense allowance. Other allowances were determined either by the Speaker of the House of Representatives in respect of members, or by the Minister authorised by the Prime Minister, in respect of members of the Executive⁴³. In 2003, the “new” basic expense allowance for ordinary MPs was set by the Authority at \$12,815 a year. It was made up of portions of the previous basic expense allowance.
101. The explanatory memorandum in the 2003 Determination (and all subsequent determinations) specifies that the “new” expense allowance is intended to cover basic out-of-pocket expenses incurred in the pursuit or support of Parliamentary business/purpose and may include:
 - a. the entertainment of visitors, staff, constituents, and officials;
 - b. memberships, sponsorships, and fees;
 - c. koha;
 - d. donations and raffle tickets;
 - e. gifts and prizes;
 - f. flowers (excluding wreaths for public commemorative events);
 - g. passport photos;
 - h. clothing and grooming Prime Minister only (*no longer appeared in the 2013 Determination and successive determinations*);
 - i. briefcases and luggage; and
 - j. meals.
102. The above list is indicative, not definitive, and is reviewed by the Authority from time to time in consultation with the Commissioner of Inland Revenue⁴⁴. In 2013 the Commissioner of Inland Revenue assessed the basic expense allowance to be tax free.

⁴¹ Clause 10(a) of the Parliamentary Salaries and Allowances Determination 1988.

⁴² The report of the Controller and Auditor-General on Parliamentary Salaries, Allowances and Other Entitlements, presented to the House in July 2001 and the Parliamentary Service Commission review group’s assessment of the report of the Controller and Auditor-General. The review group reported in March 2002 (“The Todd Report”).

⁴³ Parliamentary Salaries and Allowances Determination 2003.

⁴⁴ Paragraph 6.5 of the explanatory memorandum - Parliamentary Salaries and Allowances Determination 2003.

Memberships, Sponsorship and Fees

103. The Authority was also asked to clarify what is meant by “memberships, sponsorship, and fees”. The Authority had redefined these matters as follows:

- a. Fees includes memberships and sponsorships. These can provide for MPs to study towards a recognised professional qualification, professional development, training and attendance at courses, conferences and seminars related to a Parliamentary purpose.
- b. They may also generally cover the payment of a practising certificate/licence and/or fees to belong to a professional association, body or organisation such as the Law Society of New Zealand, Chartered Accountants Australia & New Zealand and New Zealand Institute of Directors. Professional associations provide MPs with the opportunity to network with individuals from the private and public sectors and academia, provide forums for discussing issues related to a Parliamentary purpose and enable them to maintain professional knowledge during their tenure as MPs.
- c. They may also generally cover MPs’ activities, in connection with a Parliamentary purpose that include, but are not limited to, sponsorship of events, workshops, seminars, lecture series, conferences, awards programmes, public awareness campaigns, publications and international visitors/visiting speakers.

Koha

104. The Authority is asked from time to time to define “koha” in terms of the basic expense allowance. The primary intention of the basic expense allowance is to cover out-of-pocket expenses incurred by MPs in the pursuit of a Parliamentary purpose. A koha is an expression of MPs’ gratitude and is a gesture of goodwill in the form of an unconditional gift either physical or by a donation made at a personal level. Koha is most often encountered by MPs hosted on a marae, but it can also be given to other groups, entities or individuals. In this context it is not a payment for the provision or use of a service, e.g., payment or koha for use of a venue or payment for catering.

Meals

105. Meal costs are covered by the basic expense allowance when an MP is away from their home or usual workplace (i.e. both the Wellington workplace and electorate office, if applicable) for parliamentary purposes and the MP consumes food and drink as part of a working meal arranged as part of or as an alternative to a formal meeting, or while travelling for an activity undertaken for a parliamentary purpose.
106. Everyday meal costs incurred by an MP while working at their Wellington workplace, their home (either their primary residence or their Wellington accommodation) or electorate office (if applicable) are not covered by the basic expense allowance.

Current basic expense allowance

107. The current basic expense allowances payable under s 8 of the MOP Act are:

	Yearly rate of expenses allowance payable (\$)
Office	
Prime Minister	22,606
Speaker	21,136
Each other member of Parliament	16,980

108. The above rates have not changed since 2017. Based on the review criteria and the principals outlined in this paper, the Authority believes that a modest basic expense allowance that contributes to minor out-of-pocket expenses that are not easily and conveniently itemised for reimbursement should continue to be provided to MPs to cover their activities associated with a parliamentary purpose. Linking the basic expense allowance to a parliamentary purpose ensures that any personal benefit to MPs perceived or otherwise is kept to a minimum and that the public resources are used fairly, efficiently and effectively.

Basic expense allowance

109. The allowance is used to purchase miscellaneous items that are essential for Parliamentary purposes. The CPI is the most relevant indicator of movements in the price of goods and services that is publicly available. After considering the CPI data, the Authority proposes to adjust, in the 2024 Determination, the allowances payable under s 8 of MOP for the periods specified below:

a) 15 October 2023 (day after polling day) to 30 June 2024

Office	Yearly rate of basic expense allowance payable (\$)
Prime Minister	23,800
Speaker	22,300
Other Members of Parliament	17,900

b) 1 July 2024 to 30 June 2025

Office	Yearly rate of basic expense allowance payable (\$)
Prime Minister	24,800
Speaker	23,100
Other Members of Parliament	18,600

c) 1 July 2025 to 30 June 2026

Office	Yearly rate of basic expense allowance payable (\$)
Prime Minister	25,300
Speaker	23,600
Other Members of Parliament	19,000

d) 1 July 2026 to polling day for the next general election

Office	Yearly rate of basic expense allowance payable (\$)
Prime Minister	25,600
Speaker	24,000
Other Members of Parliament	19,300

110. The Authority consulted Inland Revenue Department on the basic expense allowance. Inland Revenue has confirmed that the allowance will remain tax free.
111. The basis expense allowance will continue to cover MPs basic out-of-pocket expenses incurred in the pursuit or in support of a parliamentary purpose including such things:

- a. entertainment of visitors, staff, constituents, and officials
- b. fees including memberships and sponsorships
- c. koha, donations and raffle tickets
- d. gifts and prizes
- e. flowers (excluding wreaths for public commemorative events)
- f. passport photos
- g. briefcases and luggage
- h. meals.

THE VALUE OF PERSONAL OR POTENTIAL PERSONAL BENEFIT

112. Before making a determination on MPs salaries and allowances, s 17A of the Act requires the Authority to consult the Speaker and the Minister Responsible for Ministerial Services (the Minister) on whether any element of personal benefit or potential personal benefit for MPs, Ministers, or their family members arises under an entitlement to a service that they provide. In the case of any such benefit arising the Authority must consult the Speaker and Minister on the value of any such benefit assessed by them. The Authority is then required under s 16(2) of the MOP Act to:

- a. assess the value of any element of personal benefit or potential personal benefit for MPs, Ministers, or their family members that arise from a determination made by the Authority under s 17 of the MOP Act, or directions and determinations issued by the Speaker under ss 23 and 34 of the MOP Act, or determinations made by the Minister under s 27 of the MOP Act.
- b. take into account the assessed value when determining the salaries and allowances of the MPs and members of the Executive.
- c. include in its determination of the salaries and allowances a statement that sets out how it has taken the values assessed into account in determining salaries of MPs.

113. The items that may give rise to a personal benefit or potential personal benefit are contained in the Speaker's Directions 2023, Ministers' Travel Services within New Zealand Determination 2023 and the Members of Parliament (Accommodation Services for Members and Travel Services for Family Members) Determination 2023. These items include: MPs' domestic air travel and their family members domestic air travel and the provision of chauffeur driven transport and self-drive cars. A number of items were assessed as having a zero value because the Authority considered them to be tools of trade or only available if used on Ministerial business or for a parliamentary purpose.

114. In assessing the value of the benefits, the Authority took into account:

- a. An assessment of the proportion of the total cost associated with the service that is subject to fringe benefit tax;
- b. That the information provided by Ministerial Services and Parliamentary Service for the 2021/22 and 2022/23 years was impacted by the COVID-19 Pandemic (ie: curtailing travel);

- c. The need to support a family-friendly Parliament;
 - d. Being fair to all MPs including those MPs who do not have partners or a family or make little use of the benefits available; and
 - e. Being fair to the taxpayers.
115. The Authority recognises that some MPs receive a greater share of the value of the services available to them by making more use of their entitlements and having a greater proportion of their costs reimbursed compared to other MPs. However, s 17A of the Act and ss 16 and 62 of the MOP Act require the Authority to consider both the personal benefit and potential personal benefit for MPs, Ministers, or their family members irrespective of the proportion of services they use. Therefore, the values of the personal benefits or potential personal benefits have been set conservatively because no compensating adjustment can be made for MPs who are not making use of a service. Accordingly, the Authority has valued the overall personal benefits or potential personal benefits at:
- a. For members of the Executive but excluding Parliamentary Under Secretaries, for the Speaker and Deputy Speaker but not Assistant and Temporary Speakers, and for the Leader of Opposition, \$15,200 per annum for the current Parliamentary triennium; and
 - b. For all other members of the House of Representatives, \$6,300 per annum for the current Parliamentary triennium.
116. Section 16(2) of the MOP Act also required the Authority to include a statement that sets out how it has taken those matters into account. The Authority had aligned the salary of the ordinary MP directly to the base salary of the roles in the market data (see paragraph [53](#)). The Authority was aware that many of the comparator roles in those data sets also receive employment benefits over and above their base salary, so the data that was used to undertake the comparison for salaries was retested to understand the value of the benefits available to those roles. Both the market salary survey companies provided data for those roles which informed of the value of their “salary package” including benefits values but excluding superannuation. The latter exclusion was appropriate because MPs’ superannuation subsidy is provided in a separate determination to their salaries and allowances, so this data provided a reasonable ‘apples for apples’ comparison.
117. The Authority acknowledges that the nature of the benefits received by those in the salary surveys may differ from those received by MPs. There is also wide variation within the market data for the roles concerned of the value of benefits received. As outlined above, the personal value of benefits received by MPs in the use of services also has a wide variation. For example, MPs from locations far from Wellington may receive a higher value per year whereas Wellington-based MPs may receive zero value and the same applies to Ministers because some may utilise the self-drive car benefit and others do not.
118. After scrutinising the available benefit data, the Authority concluded that the typical values were around \$3500 - \$5000 in the two surveys with the highest being about \$24,000 and the lowest benefit value being zero. Therefore, the Authority considered that the alignment of base salary for MPs with base salary of the comparator roles was an appropriate action with benefits being declared separately.
119. The Authority concluded that this was fair to MPs because it meant that those who receive very little benefit are not disadvantaged in comparison to those who receive more. It is also fair to taxpayers because they are paying a fair base salary to MPs for their work as aligned to the market and the value of the benefits or potential benefits is transparently declared.

APPENDIX A

The Remuneration Authority Act 1977

The Act has several provisions relating to the requirement to conduct this review and the criteria to be used in determining MPs' remuneration, in particular s 12(1)(a)(i); s 18; s 18A; and ss 19(5) through (8). Those sections say:

12 Functions of Authority

- (1) The functions of the Authority shall be—
 - (a) to consider and determine the following matters:
 - (i) the salaries and allowances of members of the House of Representatives, being the salaries and allowances required to be fixed by the Authority pursuant to the Members of Parliament (Remuneration and Services) Act 2013;
 - ...

17A Obligation to consult before making determinations about Parliamentary salaries and allowances

Before making a determination under [section 12\(1\)\(a\)\(i\)](#), the Authority must—

- (a) consult the Speaker of the House of Representatives and the Minister who is, with the authority of the Prime Minister, for the time being responsible for Ministerial Services about the services for which they have jurisdiction, including, for the purposes of [section 16\(2\)](#) of the Members of Parliament (Remuneration and Services) Act 2013, about—
 - (i) whether any element of personal benefit or potential personal benefit for members of Parliament, Ministers, or their family members arises under an entitlement to a service; and
 - (ii) in the case of any such benefit arising under directions issued by the Speaker under [section 23](#) or [34](#) of that Act or a determination made by the Minister Responsible for Ministerial Services under [section 27](#) of that Act, the value of any such benefit assessed by the Speaker or the Minister; and
- (b) consult the Commissioner of Inland Revenue—
 - (i) about the taxation consequences of the Authority's proposed determination; and
 - (ii) as required under [section 16\(2\)\(a\)](#) of the Members of Parliament (Remuneration and Services) Act 2013).

18 Criteria of Authority

- (1) In determining any remuneration under [section 12\(1\)\(a\)](#) or [section 12B\(1\)](#), or under any other enactment, the Authority shall have regard in particular to the following criteria:
 - (a) the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere; and
 - (b) the need to be fair both—
 - (i) to the persons or group of persons whose remuneration is being determined; and
 - (ii) to the taxpayer or ratepayer; and
 - (c) the need to recruit and retain competent persons.
- (2) In determining the remuneration of any persons or group of persons pursuant to any subparagraph of [section 12\(1\)\(a\)](#) or in determining the remuneration of any persons or group of persons pursuant to [section 12B\(1\)](#) or under any other Act, the Authority shall take into account—
 - (a) the requirements of the position concerned; and
 - (b) the conditions of service enjoyed by the persons whose remuneration is being determined and those enjoyed by the persons or members of the group of persons whose remuneration and conditions of employment are, in the opinion of the Authority, comparable with those

of the persons or members of the group of persons whose remuneration is being determined.

18A Countervailing economic conditions

- (1) Subsection (2) applies in relation to the Authority in determining the remuneration of any person or group of persons under section [12\(1\)\(a\)](#) or [12B\(1\)](#) or under any other enactment.
- (2) The Authority—
 - (a) must take into account any prevailing adverse economic conditions, based on evidence from an authoritative source; and
 - (b) may determine the remuneration at a rate lower than it would otherwise have determined.
- (3) A determination of remuneration at a lower rate under subsection (2)(b) must not result in the remuneration of a person or group of persons being lower than the remuneration the person or group of persons is entitled to before the determination.
- (4) To avoid doubt, the provisions of any other enactment relating to the setting of remuneration by the Authority must be read together with, and subject to, this section.

19 Frequency of adjustments

- ...
- (5) Notwithstanding any term included in any determination, the Authority must review, and issue a determination for, each position that is subject to its jurisdiction,—
 - (a) in the case of the salaries and allowances of members of Parliament, as set out in subsections (6) to (8); and
 - (b) in any other case, at intervals of not more than 3 years.
 - (6) The Authority must begin a review of the salaries and allowances of members of Parliament within 3 months from the return of the writ after a general election, based on the information that is available to the Authority at the time of its review.
 - (7) After the review, the Authority must issue a determination that—
 - (a) is deemed to have come into force on the date of the day after polling day for that general election; and
 - (b) expires on polling day for the next general election; and
 - (c) specifies separately the salaries and allowances payable for each of the periods set out in subsection (8).
 - (8) The determination under subsection (7) must set out the salaries and allowances of members of Parliament for the following periods:
 - (a) the period beginning on the day after polling day and ending on the next 30 June; and
 - (b) the period beginning on 1 July after the 30 June referred to in paragraph (a) and ending on the next 30 June; and
 - (c) the period beginning on 1 July after the 30 June referred to in paragraph (b) and ending on the next 30 June; and
 - (d) the period beginning on 1 July after the 30 June referred to in paragraph (c) and ending on polling day for the next general election.

24 Remuneration of existing holder not to be reduced

- (1) Where any position is subject to the determination of the Authority under [section 12\(1\)\(a\)](#) or [section 12B](#) and the remuneration for that position is determined by the Authority at a rate that is lower than that being lawfully received by the holder of that position, his remuneration shall not be reduced as a result of that determination.

APPENDIX B

Members of Parliament (Remuneration and Services) Act 2013

The MOP Act, in ss 8, 9, and 16 outline the Authority's responsibility to determine the remuneration and the personal/private benefits, or potential benefits, for MPs. Those sections say:

8 Remuneration Authority to determine salaries and allowances

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

9 How salaries and allowances determined

- (1) The salaries and allowances under [section 8](#) must be determined under section 12 of the Remuneration Authority Act 1977, and the relevant sections of that Act apply accordingly (see, for example, [sections 16](#) and [17A](#) to [19](#)).

16 Principles⁴⁵

- (1) *In making a determination or issuing directions under this Part, the Remuneration Authority, the Speaker, and the Minister Responsible for Ministerial Services must have regard to the following principles:*
 - (a) *that the entitlements of members of Parliament and Ministers to support services should be determined in a way that—*
 - (i) *recognises the need for public understanding of the work of those persons and their parties and the services they require to enable them to carry out their roles and functions; and*
 - (ii) *facilitates the delivery of support services in an efficient and effective manner; and*
 - (iii) *recognises the need to be fair to the taxpayer; and*
 - (iv) *promotes transparency in relation to the allocation and use of public money to provide the support services necessary for members of Parliament, Ministers, and parties to carry out their respective roles and functions; and*
 - (v) *maintains confidence in the integrity of Parliament; and*
 - (vi) *maintains the independence of the Remuneration Authority;*
 - (b) *that entitlements to services should be determined in a way that has regard to the particular requirements of any members of Parliament with physical or sensory impairments;*
 - (c) *that, if changes to services provided increase or decrease any element of remuneration or other private benefit, the value of that increase or decrease should be taken into account by the Remuneration Authority in determining salaries under Part 2;*
 - (d) *that entitlements to services should be—*
 - (i) *clearly defined so that decisions about whether a person or party is eligible for an entitlement can easily be made; and*
 - (ii) *determined in a way that is consistent with the objectives of efficient and effective delivery of services; and*
 - (iii) *simple to administer.*

⁴⁵ Note that the content in italics is specific to the provision of services to MPs, not salaries and wages. Subsection (iv) is not in italics because the Authority utilises this principle in all its considerations of MPs benefits and salaries and allowances.

- (2) If an entitlement to a service under a determination made by the Remuneration Authority under [section 17](#), directions issued by the Speaker under [section 23](#), or a determination made by the Speaker under [section 34](#) or by the Minister Responsible for Ministerial Services under [section 27](#), results in an element of personal benefit or potential personal benefit for members of Parliament, Ministers, or their family members,—
- (a) the Remuneration Authority, the Speaker, or the Minister Responsible for Ministerial Services, as the case may be, must—
 - (i) consult the Commissioner of Inland Revenue about the taxation consequences of that entitlement; and
 - (ii) assess the value of the benefit; and
 - (iii) include in the determination or direction a statement of the value assessed under subparagraph (ii); and
 - (b) the value must be taken into account by the Remuneration Authority in determining the salaries and allowances of the relevant members of Parliament or Ministers under [section 8](#); and
 - (c) the Remuneration Authority must include in its determination of the salaries and allowances under [section 8](#) a statement that sets out how it has taken values assessed under this subsection into account in determining salaries.

APPENDIX C

The MPs' position

There is no 'job description' for MPs' roles. Parliamentary Practice in New Zealand (2023)⁴⁶ is informative about the formal role of MP as follows:

"A member of Parliament holds a statutory office. Members are not employees in an employment relationship (except for certain tax purposes), nor are they subject to any contractual obligations regarding their duties. The role of a member of Parliament is not prescribed. The office to which members are elected has considerable guaranteed legal freedom so that members have the capacity to carry out the duties of the office as they see fit. It is a broad role and is largely defined by members themselves and the parties to which they belong, and by the expectations of the public. Their position as members stems entirely from their election to the House of Representatives. It is in the House that members swear allegiance, and they may not sit and vote in the House until they have done so. Members are expected to attend the House and can suffer a financial penalty if they are persistently absent from its proceedings without permission or are suspended from its service. Aspects of the office, in relation to parliamentary proceedings, include the ability to participate in proceedings conducted outside the House itself—for example, by serving on select committees, presenting petitions, asking written questions, and lodging notices of bills for introduction and motions for debate. Aspects of the role of members can be drawn by analogy from the four functions of the House. They are legislators, leaders, scrutineers of the Government, and representatives."

Another reference investigated was the Parliament website⁴⁷. To assess the requirements of the positions of Prime Minister, Deputy Prime Minister, Cabinet Ministers, Ministers outside Cabinet, Parliamentary Under-Secretaries and Parliamentary Private Secretaries, the Authority consulted the Cabinet Manual 2023⁴⁸. The Cabinet Manual specifies, in considerable detail, the roles, powers, responsibilities, accountabilities, limitations and many other matters pertaining to those roles. The Authority has not repeated that material in this report because it is extensive and publicly available, but all that information was taken into account when assessing the remuneration requirements of those roles in accordance with the criteria. The Cabinet Manual 2023 also has material relating to other aspects of Parliament, such as the operation of Select Committees, and the formation of Governments. That information was considered as appropriate when considering the responsibilities of MPs.

The Standing Orders of the House of Representatives 2023⁴⁹ were also investigated and provide another valuable source of information on roles and responsibilities of MPs including the Speaker, Deputy Speaker and others in relation to the work they perform within Parliament. That material is also not repeated because it is also extensive and publicly available. There was also useful detail on this topic in the Controller and Auditor General's report on Parliamentary Salaries in 2001⁵⁰. That report added detail about the MP's role, which is still relevant to this day, that said -

An MP's job has some specific some peculiarities:

⁴⁶ McGee, *Parliamentary Practice in New Zealand*, ed. by David Wilson and David Bagnall, 5th Edition (Clerk of the House of Representatives, 2023), p. 47.

⁴⁷ New Zealand Parliament, 'What does an MP do?', *New Zealand Parliament* (Wellington: New Zealand Parliament: 2017).

⁴⁸ Cabinet Office, 'Cabinet Manual', *Department of the Prime Minister and Cabinet* (Wellington: Cabinet Office: 2023).

⁴⁹ New Zealand Parliament, 'Standing Orders', *New Zealand Parliament* (Wellington: New Zealand Parliament: 2023).

⁵⁰ *Ibid.*, 1.

- it combines elements of public office, public service, and professional occupation; however
- there is no prior vocational requirement or occupational qualification to become an MP;
- there is no progression for MPs in their remuneration to reflect greater experience and skill;
- there is no formal system of performance measurement for Parliament as an institution; and
- there is exceptional variety in an MP's day-to-day work in terms of both tasks (complex to basic) and the magnitude of issues the MP deals with (from high to low).

Other characteristics of an MP's job are that:

- While MPs are employees for tax purposes they are not "employed" (i.e. they are not employees of a specific organisation), even though they work as part of a large organisation (Parliament) and draw on the resources of that organisation to do their job. But neither are they self-employed and able to enjoy the autonomy which a self-employed person has over his or her business income.
- The job has elements of compulsion (for example, the need to attend sittings of Parliament, and to be subject to party discipline), yet in other respects MPs have a constitutional autonomy and independence to act as their conscience (or, if they choose, the will of their electors) dictates.
- The job can be all-consuming – meaning that what little personal time MPs have must sometimes be spent while they are away from home on Parliamentary business.
- The job requires many MPs to have more than one place of residence and divide their time between the two – with or without their spouses or family members.

The Authority took those references into account. The following documents the Authority's understanding of the role of MP, as the role relates to the need for remuneration. Ministers are all MPs so have all the responsibilities set out below.

MPs' position summary

Analysis of the material investigated enabled the Authority to classify the role of MP in six categories. MPs must (in no particular order): be a representative; be a leader; form the Government or the Opposition; be legislators; approve government expenditure; and scrutinise Government activities. Many of these duties are onerous, requiring MPs to work long hours undertaking personally challenging intellectual pursuits. They often have constituency, portfolio or committee responsibilities prior to Parliament sitting and their working day usually continues late into the evening; and they seldom have a weekend off. Non-Wellington-based MPs and sometimes those who are Wellington-based, perform much of their work away from their families because the nature of the role requires them to be away from home for many days at a time on a regular basis.

Representation

For electorate MPs, the representation requirements include: to represent, and at times advocate on behalf of, all the people within the electorate (whether they voted for that MP or not). This involves representing those people in Parliament and in other appropriate forums; to be regularly available to constituents and to hear those people's complaints and/or requests and then to take matters up on their behalf to government, public agencies and through other channels as appropriate; to represent and advocate for organisations within the electorate that need assistance, such as local authorities, community, sport or cultural groups, business associations etc.; and to represent the best interests of the Party to which they belong by representing and advocating for the philosophies, policies and commitments that led to them being elected.

For List MPs, the representation requirements include: where they are allocated to an electorate by their Party, to act in many ways similar to the electorate MP undertaking representation duties as appropriate to the circumstances; where they are allocated a national portfolio, to represent, and at times advocate on behalf of, the people, organisations and intentions inherent in that area of interest; and to represent the best interests of the Party to which they belong by representing and advocating for the philosophies, policies and commitments that led to them being elected.

Leadership

There are varying levels of leadership requirements on MPs. The Prime Minister has extensive leadership responsibilities. That role is the leader of the entire country, the Cabinet and the Government. He or she also takes a leadership role internationally and nationally on behalf of New Zealand. Ministers must provide leadership to their portfolio areas leading Ministry and Departmental managers to implement the policies of the government. Party Leaders, Co-Leaders and Deputy Leaders must provide leadership to the MPs in their Party, particularly in the Party Caucus, and to Party members outside of Parliament. MPs with additional responsibilities also have leadership requirements such as Whips and Chairs of committees etc. Ordinary MPs also have leadership responsibilities, all have staff assigned, some more than others because electorate MPs have staff in their electorate offices in addition to the staff they interact with at Parliament; however, all must be competent to lead (and manage) the staff assigned; they also have leadership responsibilities in relation to the Party members within their electorate (for electorate MPs), or in relation to Party members who participate in the portfolio areas assigned to List MPs.

Forming the Government or Opposition

A vital role of MPs is the formation of the Government of New Zealand. In keeping with Westminster convention, all the individuals who make up the Government must be MPs and the Government must maintain the confidence of the House of Representatives to stay in power. Where the Party to which they belong becomes part of the majority of the House of Representatives, they are a critical part of the guarantee that the Prime Minister provides to the Governor General that their party or coalition of parties commands the confidence of the House of Representatives and can continue to hold office. A significant number of government MPs (often nearly half of the government's majority) take on additional responsibilities as Cabinet Ministers, Ministers outside Cabinet, Associate Ministers, Parliamentary Undersecretaries or government or party whips. Some MPs, from government and opposition parties, will be required to become the Chair of select committees and other committees of the Parliament.

For those MPs whose party does not form the Government, they form the Opposition, with the largest party outside of government, becoming the Official Opposition. Whilst all MPs have an obligation to scrutinise the Government, the independence of the opposition allows it to serve as an important constitutional check on executive power. Many Opposition MPs take on additional responsibilities as Shadow Ministers or Opposition/Party spokesperson on portfolio areas or as party whips. Most, and often all, MPs who are not ministers or parliamentary undersecretaries, from government and opposition parties, will also be required to become members of Select Committees or other committees of the Parliament.

Legislation and policy

All MPs are legislators, which is an important and demanding responsibility. New Zealand is a free and open democratic society and citizens are entitled to do anything they wish as long as there is not a law preventing them from doing so, or one mandating that they must do something else. To achieve this, the country has a large and complex set of statutes which

incorporate multifaceted arrangements to organise how New Zealand society operates. MPs have a collective responsibility to initiate and maintain legislation that: establishes the wide range of structures and associated directions that are essential to an orderly society; establishes the means by which citizens elect their representatives (nationally and locally) in a participatory democracy based on a constitutional monarchy; defines illegal activities along with associated enforcement standards and processes.

MPs must participate in all the necessary processes relating to those statutes. When in government they are an integral part of the extensive research and analysis that leads to policy development and then on to legislation. When in opposition they have the vital role of scrutinising all legislation presented and the development of the policies that their party will put to the public as the alternative to the government.

Some of the bills dealt with by MPs are large and complex setting out extensive legal frameworks that would become law if passed by Parliament. Through the Select Committee process, MPs (from both the Government and the Opposition) scrutinise them in detail and apply appropriate additions, deletions or amendments. Not all MPs have a close working relationship with every Bill, but every Bill is thoroughly scrutinised and MPs must gain a detailed understanding of the matters under investigation. They must consider all the written and verbal submissions received from, and interviews conducted with, citizens and organisations before making important decisions that can impact substantially on the lives of all New Zealand citizens, residents and visitors. MPs also deal with these matters at a detailed level at the Committee of the Whole stage of a Bill's progress, where each clause of the entire Bill is dealt with individually by the whole Parliament.

MPs must participate in debates in the Parliament which are an essential aspect of the legislator role in a democracy. Some of these debates are controversial and are covered in detail in the media, but many others are just as important but not controversial so do not attract public attention.

MPs commission and present policy that conforms with legislation and manifesto commitments.

Approving government expenditure

A vital role of all MPs is the participation in the approval processes for Government expenditure. All money that Government ministries, department and agencies expend must first be approved by Parliament. The Government presents a multifaceted budget to Parliament, along with sometimes extensive supplementary estimates; this is incorporated in complex legislation which is scrutinised in detail by MPs before it is approved by the Parliament. The Executive, effectively Cabinet and other Ministers, is subordinate to Parliament in the approval of expenditure. This is a very important aspect of the role of MP.

Scrutineer of Government activity

Opposition MPs must play a vital role in scrutinising the activities of the Government and holding the Government to account. Many of the debates in Parliament are effectively MPs undertaking this aspect of their role. The challenging of Government actions by opposition MPs, and the defence of those actions by government MPs, is a critical aspect of participatory democracy. It is in these debates where matters can be brought to the attention of the media and thereby the public. This is a vitally important aspect the role of MP.

APPENDIX D

The salary schedules

Schedule 1 - Salaries payable under section 8 of Members of Parliament (Remuneration and Services) Act 2013 for periods specified in section 19(8) of the Remuneration Authority Act 1977

(a) the period beginning on 15 October 2023 (day after polling day) and ending on 30 June 2024

Office	Yearly rate of salary payable (\$)
<i>Members of the Executive</i>	
Prime Minister	484,200
Deputy Prime Minister	344,100
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet	304,300
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios but who is not a member of Cabinet	256,800
Each other member of the Executive Council	223,800
Each Parliamentary Under-Secretary	199,800
<i>Officers of the House of Representatives</i>	
Speaker	304,300
Deputy Speaker	215,300
Each Assistant Speaker	184,700
<i>Each Temporary Speaker \$72 per sitting day additional to base salary</i>	
<i>Leader of the Opposition</i>	
Leader of the Opposition	298,000
<i>Other party leaders</i>	
Each member of Parliament who is the leader of a party -	
with less than 5 members in the House of Representatives or	195,400
with 5 or more members in the House of Representatives or	202,600
with 10 or more members in the House of Representatives or	218,300
with 25 or more members in the House of Representatives	232,500
Each member of Parliament who is the co-leader of a party -	
<i>(limited to a maximum of two co-leaders per party)</i>	
with less than 5 members in the House of Representatives or	190,100
with 5 or more members in the House of Representatives or	195,100
with 10 or more members in the House of Representatives or	210,800
with 25 or more members in the House of Representatives	226,100
<i>Deputy leaders (for a party with no co-leaders)</i>	
Each member of Parliament who is the deputy leader of a party -	
with less than 5 members in the House of Representatives or	184,700
with 5 or more members in the House of Representatives or	187,600
with 10 or more members in the House of Representatives or	203,300
with 25 or more members in the House of Representatives	219,800
<i>Whips</i>	
One Whip for a party -	
with 5 or more members in the House of Representatives or	187,600
with 10 or more members in the House of Representatives or	203,300
with 25 or more members in the House of Representatives	219,800
For the Whip who is designated the Senior Government Whip	227,900
One Junior Whip for a party with 25 or more members in the House of Representatives and	184,700
One further Junior Whip for a party with 45 or more members in the House of Representatives and	184,700
One further Junior Whip for a party with 65 or more members in the House of Representatives	184,700
<i>Chairpersons of select committees</i>	
Each member of Parliament who is the chairperson of a select committee	184,700
<i>Deputy chairpersons of select committees</i>	
Each member of Parliament who is the deputy chairperson of a select committee	173,700
<i>Other members of Parliament</i>	
Each other ordinary member of Parliament	168,600

(b) the period beginning on 1 July 2024 and ending on 30 June 2025

Office	Yearly rate of salary payable (\$)
<i>Members of the Executive</i>	
Prime Minister	498,300
Deputy Prime Minister	354,100
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet	313,100
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios but who is not a member of Cabinet	264,300
Each other member of the Executive Council	230,300
Each Parliamentary Under-Secretary	205,600
<i>Officers of the House of Representatives</i>	
Speaker	313,100
Deputy Speaker	221,600
Each Assistant Speaker	190,100
<i>Each Temporary Speaker \$74 per sitting day additional to base salary</i>	
<i>Leader of the Opposition</i>	
Leader of the Opposition	302,300
<i>Other party leaders</i>	
Each member of Parliament who is the leader of a party -	
with less than 5 members in the House of Representatives or	201,100
with 5 or more members in the House of Representatives or	208,400
with 10 or more members in the House of Representatives or	224,600
with 25 or more members in the House of Representatives	239,200
Each member of Parliament who is the co-leader of a party -	
<i>(limited to a maximum of two co-leaders per party)</i>	
with less than 5 members in the House of Representatives or	195,600
with 5 or more members in the House of Representatives or	200,700
with 10 or more members in the House of Representatives or	216,900
with 25 or more members in the House of Representatives	232,700
<i>Deputy leaders (for a party with no co-leaders)</i>	
Each member of Parliament who is the deputy leader of a party -	
with less than 5 members in the House of Representatives or	190,100
with 5 or more members in the House of Representatives or	193,100
with 10 or more members in the House of Representatives or	209,200
with 25 or more members in the House of Representatives	226,200
<i>Whips</i>	
One Whip for a party -	
with 5 or more members in the House of Representatives or	193,100
with 10 or more members in the House of Representatives or	209,200
with 25 or more members in the House of Representatives or	226,200
For the Whip who is designated the Senior Government Whip	234,500
One Junior Whip for a party with 25 or more members in the House of Representatives and	190,100
One further Junior Whip for a party with 45 or more members in the House of Representatives and	190,100
One further Junior Whip for a party with 65 or more members in the House of Representatives	190,100
<i>Chairpersons of select committees</i>	
Each member of Parliament who is the chairperson of a select committee	190,100
<i>Deputy chairpersons of select committees</i>	
Each member of Parliament who is the deputy chairperson of a select committee	178,800
<i>Other members of Parliament</i>	
Each other ordinary member of Parliament	173,400

(c) the period beginning on 1 July 2025 and ending on 30 June 2026

Office	Yearly rate of salary payable (\$)
<i>Members of the Executive</i>	
Prime Minister	510,300
Deputy Prime Minister	362,600
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet	320,600
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios but who is not a member of Cabinet	270,600
Each other member of the Executive Council	235,800
Each Parliamentary Under-Secretary	210,600
<i>Officers of the House of Representatives</i>	
Speaker	320,600
Deputy Speaker	226,900
Each Assistant Speaker	194,700
<i>Each Temporary Speaker \$76 per sitting day additional to base salary</i>	
<i>Leader of the Opposition</i>	
Leader of the Opposition	305,900
<i>Other party leaders</i>	
Each member of Parliament who is the leader of a party -	
with less than 5 members in the House of Representatives or	205,900
with 5 or more members in the House of Representatives or	213,400
with 10 or more members in the House of Representatives or	230,000
with 25 or more members in the House of Representatives	244,900
Each member of Parliament who is the co-leader of a party -	
<i>(limited to a maximum of two co-leaders per party)</i>	
with less than 5 members in the House of Representatives or	200,300
with 5 or more members in the House of Representatives or	205,600
with 10 or more members in the House of Representatives or	222,100
with 25 or more members in the House of Representatives	238,300
<i>Deputy leaders (for a party with no co-leaders)</i>	
Each member of Parliament who is the deputy leader of a party -	
with less than 5 members in the House of Representatives or	194,700
with 5 or more members in the House of Representatives or	197,700
with 10 or more members in the House of Representatives or	214,300
with 25 or more members in the House of Representatives	231,600
<i>Whips</i>	
One Whip for a party -	
with 5 or more members in the House of Representatives or	197,700
with 10 or more members in the House of Representatives or	214,300
with 25 or more members in the House of Representatives or	231,600
For the Whip who is designated the Senior Government Whip	240,100
One Junior Whip for a party with 25 or more members in the House of Representatives and	194,700
One further Junior Whip for a party with 45 or more members in the House of Representatives and	194,700
One further Junior Whip for a party with 65 or more members in the House of Representatives	194,700
<i>Chairpersons of select committees</i>	
Each member of Parliament who is the chairperson of a select committee	194,700
<i>Deputy chairpersons of select committees</i>	
Each member of Parliament who is the deputy chairperson of a select committee	183,100
<i>Other members of Parliament</i>	
Each other ordinary member of Parliament	177,600

(d) the period beginning on 1 July 2026 and ending on polling day for the next general election

Office	Yearly rate of salary payable (\$)
<i>Members of the Executive</i>	
Prime Minister	520,500
Deputy Prime Minister	369,800
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios and who is a member of Cabinet	327,100
Each member of the Executive Council who is a Minister of the Crown holding 1 or more portfolios but who is not a member of Cabinet	276,000
Each other member of the Executive Council	240,500
Each Parliamentary Under-Secretary	214,800
<i>Officers of the House of Representatives</i>	
Speaker	327,100
Deputy Speaker	231,400
Each Assistant Speaker	198,600
<i>Each Temporary Speaker \$77 per sitting day additional to base salary</i>	
<i>Leader of the Opposition</i>	
Leader of the Opposition	309,000
<i>Other party leaders</i>	
Each member of Parliament who is the leader of a party -	
with less than 5 members in the House of Representatives or	210,000
with 5 or more members in the House of Representatives or	217,700
with 10 or more members in the House of Representatives or	234,600
with 25 or more members in the House of Representatives	249,800
Each member of Parliament who is the co-leader of a party -	
<i>(limited to a maximum of two co-leaders per party)</i>	
with less than 5 members in the House of Representatives or	204,300
with 5 or more members in the House of Representatives or	209,700
with 10 or more members in the House of Representatives or	226,600
with 25 or more members in the House of Representatives	243,000
<i>Deputy leaders (for a party with no co-leaders)</i>	
Each member of Parliament who is the deputy leader of a party -	
with less than 5 members in the House of Representatives or	198,600
with 5 or more members in the House of Representatives or	201,600
with 10 or more members in the House of Representatives or	218,500
with 25 or more members in the House of Representatives	236,200
<i>Whips</i>	
One Whip for a party -	
with 5 or more members in the House of Representatives or	201,600
with 10 or more members in the House of Representatives or	218,500
with 25 or more members in the House of Representatives or	236,200
For the Whip who is designated the Senior Government Whip	244,900
One Junior Whip for a party with 25 or more members in the House of Representatives and	198,600
One further Junior Whip for a party with 45 or more members in the House of Representatives and	198,600
One further Junior Whip for a party with 65 or more members in the House of Representatives	198,600
<i>Chairpersons of select committees</i>	
Each member of Parliament who is the chairperson of a select committee	198,600
<i>Deputy chairpersons of select committees</i>	
Each member of Parliament who is the deputy chairperson of a select committee	186,700
<i>Other members of Parliament</i>	
Each other ordinary member of Parliament	181,200