



COVERSHEET

Minister	Hon Iain Lees-Galloway	Portfolio	Workplace Relations and Safety
Title of Cabinet paper	Remuneration Authority (Members of Parliament Remuneration) Amendment Bill (No 2): Approval for Introduction Remuneration Authority (Members of Parliament Remuneration) Amendment Bill (No 2): Introduction to the House	Date to be published	7 October 2019

List of documents that have been proactively released

Date	Title	Author
20 August 2019	Remuneration Authority (Members of Parliament Remuneration) Amendment Bill (No 2): Approval for Introduction	Office of the Minister for Workplace Relations and Safety
20 August 2019	Cabinet Legislation Committee: Minute of Decision	Cabinet Office
26 August 2019	Remuneration Authority (Members of Parliament Remuneration) Amendment Bill (No 2): Introduction to the House	Office of the Minister for Workplace Relations and Safety
26 August 2019	Cabinet: Minute of Decision	Cabinet Office

Information redacted

NO



Cabinet Legislation Committee

Minute of Decision

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Remuneration Authority (Members of Parliament Remuneration) Amendment Bill (No 2): Approval for Introduction

Portfolio **Workplace Relations and Safety**

On 20 August 2019, the Cabinet Legislation Committee **agreed to recommend that Cabinet:**

- 1 note that the Remuneration Authority is an independent body responsible for determining the remuneration of key public office holders including Members of Parliament (MPs), the Governor-General, judicial officers and elected local government officials;
- 2 note that for all office holders except MPs, the Remuneration Authority currently has the discretion to determine pay, based on criteria in sections 18 and 18A of the Remuneration Authority Act 1977;
- 3 note that the current system for determining MPs' pay (based on public sector wage increases) is leading to higher pay increases than the previous criteria-based approach, and that since 2016 MPs have received higher pay increases than other office holders;
- 4 note that the Remuneration Authority's next determination for MPs' salaries will take effect from 1 July 2019, and that from 6 August 2019 the Authority can begin more intensive work on this determination;

Agreement to policy

- 5 agree that the government amend the Remuneration Authority Act 1977 (the Act) to restore the Remuneration Authority's discretion based on criteria in sections 18 and 18A to set the rate of MPs' pay;
- 6 agree the Remuneration Authority will be required to set MPs' salaries only once in each term of Parliament;
- 7 agree that the Remuneration Authority must commence a review within three months of the return of the writ after a general election and that the determination from this review applies from the day after the polling day of that general election, and would set the pay for the entire term of parliament specified on a year-by-year basis;
- 8 agree that the government amend the Members of Parliament (Remuneration and Services) Act 2013 to restore the requirement for the Remuneration Authority to consider the value of the personal benefit to members and their families when setting MPs' salaries;
- 9 agree to make consequential amendments to the Members of Parliament (Remuneration and Services) Act 2013 to reflect the above changes;

- 10 agree that the Remuneration Authority will be required to review and make a determination for the salaries and allowances of MPs applying from 1 July 2019 until polling day of the next general election, based on the criteria specified under the Act;
- 11 note that there is a risk that returning to this system will not necessarily result in lower pay increases and does not prevent the Authority, which is independent, from determining high pay increases;

Agreement to introduce the Bill to the House

- 12 note that the Remuneration Authority Amendment Bill holds a category 2 priority on the 2019 Legislation Programme, to be passed this year;
- 13 note that the Bill implements the proposals in paragraphs 5 to 10 above;
- 14 approve the Bill [PCO 21868] for introduction, subject to the final approval of the government caucuses and sufficient support in the House of Representatives;
- 15 agree the Bill be introduced as soon as possible after Cabinet's agreement;
- 16 agree that the Bill be referred to the Education and Workforce Committee for a truncated period of two months and through all other stages as normal;

Other matters

- 17 note that the proposals in the Bill will have financial implications which are difficult to quantify but which are intended to constrain the level of future MP salary adjustments;
- 18 note that a Regulatory Impact Analysis is not required;
- 19 note that the Minister for Workplace Relations and Safety will publicly announce the proposals, including the introduction of the Bill to the House.

Vivien Meek
Committee Secretary

Present:

Hon Andrew Little
Hon Stuart Nash
Hon Iain Lees-Galloway (Chair)
Hon Jenny Salesa
Hon Damien O'Connor
Hon Ron Mark
Hon Tracey Martin
Hon Julie Anne Genter
Michael Wood MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

Hard-copy distribution:

Minister for Workplace Relations and Safety