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BILLS DIGEST

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Remuneration Authority Amendment Bill 2009

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Portfolio:	Labour
Select Committee:	As at 22 September, 1st Reading not held.
Published: 22 September 2009 Prepared by John McSoriley BA LL.B, Barrister Legislative Analyst P: (04) 471-9626 (Ext. 9626) F: (04) 471-1250	Caution: This Digest was prepared to assist consideration of the Bill by members of Parliament. It has no official status. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Bill. Other sources should be consulted to determine the subsequent official status of the Bill.

Purpose

The aim of this Bill is to amend the Remuneration Authority Act 1977 (the Act) to:

- "require the Remuneration Authority (the Authority) to take account of adverse economic conditions, based on evidence from an authoritative source, when determining the salary or remuneration of persons or groups of persons covered by the Act; and
- make a number of technical changes"¹.

Background

The Bill is introduced to change the law to make it compulsory for the Authority to take into account any prevailing adverse economic conditions in making determinations because of recent public debate " ... about the appropriateness of salary or remuneration increases for those in public office in the context of the present recession ..."².

¹ Remuneration Authority Amendment Bill, 2009 No 82-1, Explanatory note, General policy statement, p. 1.

² Remuneration Authority Amendment Bill, 2009 No 82-1, Explanatory note, Regulatory impact statement, "Executive summary" and "Status quo and problem", pp. 2 and 3.

Main Provision

Salaries affected

The Bill relates to the salaries determined by the Authority in relation to:

- members of the House of Representatives, being the salaries and allowances required to be fixed by the Authority pursuant to the Civil List Act 1979;
- the highest paid executive officer of each of the corporations and bodies specified in Schedule 1 to the Act and the remuneration of such other officers of those corporations and bodies as the Authority from time to time specifies;
- the officers specified in the Schedule 4 to the Act, for example: the Controller and Auditor-General and the Deputy Controller and Auditor-General; the members and associate members of the Commerce Commission; the members of the Electoral Commission; the chief and certain other members of the Employment Relations Authority; the Director of the Government Communications Security Bureau; the Clerk of the House of Representatives and the Deputy Clerk of the House of Representatives; the General Manager of the Parliamentary Service and the members of the Law Commission);
- certain officers of statutory entities in accordance with section 47(1)(b) of the Crown Entities Act 2004;
- the following judicial officers: the Chief Justice, and the other Judges of the Supreme Court, the President of the Court of Appeal and the other Judges of the Court of Appeal, the Chief High Court Judge and the other Judges of the High Court; the appointed Judges of the Court Martial Appeal Court; the Chief District Court Judge, the Principal Family Court Judge, the Principal Youth Court Judge, the Principal [Environment Judge], and the other District Court Judges; the Chief Judge of the Court Martial and the other Judges of the Court Martial; the Chief Judge of the Employment Court and the other Judges of the Employment Court; the Chief Judge and the Deputy Chief Judge of the Maori Land Court and the other Judges of the Maori Land Court; the Associate Judges of the High Court; and the chief coroner and, in general, the other coroners;
- others under any enactment other than the Act (*Part 1, Clause 4, inserting New Section 18A into the Act; cf. Sections 12(1)(a) and 12B(1) of the Act*).

Countervailing economic conditions

The Bill provides that when the Authority is determining the remuneration of any person or group of persons under Section 12(1)(a) or 12B(1) or under any other enactment, the Authority must take into account " ... any prevailing adverse conditions, based on evidence from an authoritative source" and "may determine the remuneration at a rate lower than it would otherwise have determined". However, a determination of remuneration at such a lower rate " ...must not result in the remuneration of a person or group of persons being lower than the remuneration the person or group is entitled to before the determination" (*Part 1, Clause 4, inserting New Section 18A into the Act*).

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