



2 Nov 2023

Geoffrey Summers  
Chair of the Remuneration Authority  
By email: [info@remauthority.govt.nz](mailto:info@remauthority.govt.nz)

Dear Mr Summers,

### Request to meet with Remuneration Authority

1. We hope your second year as Chair of the Remuneration Authority is going well.
2. Co-founded by David Farrar and Jordan Williams in 2013, the *New Zealand Taxpayers' Union*, along with our sister group, the *Auckland Ratepayers' Alliance*, is staunchly politically independent. Our nearly 200,000 subscribed members and supporters have a range of political views but are united by a belief that public money should be used resourcefully. Our organization's objectives can be summarized by the mantra: '*Lower taxes, less waste, more accountability.*'
3. As a taxpayer and ratepayer advocacy group, we have a particular interest in the function of the Remuneration Authority. The function of determining the remuneration and allowances for elected representatives and other public officials is an important one that must balance the need for attracting competent individuals to these roles while also ensuring fiscal responsibility and trust in our democratic institutions.
4. The level of pay – along with allowances and other 'perks' – can have a significant impact on the level of trust the public has in our decision makers, along with the incentives they create for elected officials themselves.
5. Considering the upcoming determination on the remuneration for Members of Parliament, we wanted to draw your attention to some of the changes we have previously suggested for how it is determined while also pushing for greater transparency from the Remuneration Authority. These include:
  - (a) Indexing MPs' remuneration to a key economic indicator such as GDP growth or the median wage over a set period.

- (b) A greater level of transparency in the formulae and methodology for calculating remuneration and allowances for elected representatives so that taxpayers can be sure they are being treated fairly.
6. We note that under s 18 of the Remuneration Authority Act 1977, the Authority must have regard to the need to be fair to the taxpayer. It is unfair to taxpayers to require them to fund a large pay increase for Members of Parliament, who are already paid significantly more than most taxpayers, at a time when many families are struggling to pay their bills. This unfairness is exacerbated by Parliament's failure to adjust income tax brackets for inflation, which means that many New Zealanders face stealth tax hikes each and every year.
  7. We also note that under s 18A of that same Act, the Authority must take into account prevailing adverse economic conditions, based on evidence from an authoritative source and may determine the remuneration at a rate lower than it would otherwise have determined.
  8. In light of the current economic environment of sustained high inflation and slow growth, now is not the right time to be increasing MP pay. Recent reports from the IMF and Treasury, along with other economic organizations paint a worrying picture of the country's economic outlook. We would appreciate the opportunity to discuss this with you further.
  9. We write to seek a meeting with you and your colleagues at your earliest convenience to discuss the economic conditions and fairness to the taxpayer prior to your determination of MP pay for the next term of Parliament.
  10. Feedback from our members and supporters is clear: 'When New Zealanders are facing a cost-of-living crisis and are being forced to tighten household spending, politicians should be doing the same'.
  11. We look forward to hearing from you.

Yours faithfully,

**New Zealand Taxpayers' Union Inc.**



**Callum Purves**

Chief Operating Officer and Head of Campaigns

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