

Understanding Ministers' Expenses

Information on the expenses disclosed by the Department of Internal Affairs for members of the Executive.

Members of the Executive (Ministers of the Crown) require financial resources and support services to fulfil their responsibilities and to service the public efficiently and effectively. Their entitlement to these resources and support services is specified in the Executive Travel, Accommodation, Attendance and Communications Services Determination (No 2) 2009 (the Determination).

In the Determination the following principles are applied in the use of publicly funded resources by members of the Executive:

- expenditure must be reasonable for the circumstances and able to withstand tax-payers' scrutiny
- expenditure must be for official ministerial purposes only
- expenditure must be properly documented and supported with tax invoices/receipts
- expenditure must be able to withstand audit scrutiny
- expenditure should represent value for money and cost-effectiveness.

This fact sheet provides information on the expenses disclosed by the Department of Internal Affairs for members of the Executive under the Determination. The Department of Internal Affairs is subject to the provisions of the Official Information Act 1982 and has previously released information on expenses for members of the Executive.

Period of disclosure

The expenses shown in the attached table were brought to charge in the period 1 October 2009 to 31 December 2009 as per the records held in the Department of Internal Affairs' financial system.

Accounting processes mean that costs in the financial system for each month do not always reflect expenses incurred in that month.

Information disclosed

In addition to the financial resources and support services provided to members of the Executive under this Determination, they are provided with certain entitlements as members of parliament under a determination administered by the Parliamentary Service. Information on these expenses is disclosed separately by the Parliamentary Service.

Expense categories for members of the Executive include:

- **Air travel**
 - **Domestic** – airfares for members of the Executive.
 - **International** – expenses include airfares, accommodation, internal travel, receptions and related travel costs as these costs are not recorded separately.

International travel for members of the Executive funded from Vote Ministerial Services is approved by Cabinet or in the case of travel to Australia, by the Prime Minister. Travel expenses shown may include costs for the Minister and any accompanying spouse, staff, members of

Parliament or students where relevant, as these costs are not recorded separately.

- **Surface travel** – expenses include VIP Transport Services (Chauffeur drive and self drive vehicles), ferry, trains, taxis and may include the Minister, spouse/partner, accompanying staff as these costs are not recorded separately.
- **Wellington accommodation** – Ministerial Services attends to the Wellington accommodation requirements of Ministers with non-Wellington primary places of residence in two ways:
 1. **Official Residences.** The Department of Internal Affairs manages, maintains and services a small number of official residences owned by the Crown and leases a number of other properties for use as Ministerial residences. Wellington accommodation expenses for leased Official Residences are paid directly by the Department of Internal Affairs to suppliers.
 2. **Wellington Accommodation Payment.** Commencing on 1 November 2009, Ministers not accommodated in a Crown-owned Official Residence are being transitioned to the Wellington Accommodation Payment. Under the new arrangement the Department will cease to lease properties for Ministerial residences as current leases expire. Instead, Ministers who make their own accommodation arrangements will now receive a payment of \$37,500 per year, unless they choose to stay in the same accommodation that they occupied prior to becoming a Minister, in which case they receive payment of \$30,000 per year instead.

Because of the phased transition, accommodation payments to individual Ministers for the quarter in some cases include a mix of costs associated with the previous accommodation regime and the new.

Further information on the Implementation Plan for the Wellington Accommodation Payment can be found in the Prime Minister announcement of 7 September 2009.

www.beehive.govt.nz/release/ministerial+accommodation+decisions+announced

- **Out of Wellington accommodation** – expenses include hotel, meal and incidental expenses for members of the Executive.

All expenses are exclusive of GST, FBT (Fringe Benefit Tax) and depreciation as applicable.

Statutory framework

Members of the Executive are also members of Parliament and, as such, have all the entitlements to travel, accommodation, attendance, and communications services that the Speaker determines, under section 20A of the Civil List Act 1979. These entitlements are set out in the Speakers Directions.

The entitlements for members of the Executive as specified in the Executive Travel, Accommodation, Attendance and Communications Services Determination 2009 are additional or alternative to the entitlements they receive as members of Parliament. These entitlements are determined by the Minister Responsible for Ministerial Services, under section 20A of the Civil List Act 1979.

Under the Public Finance Act 1989 the Minister Responsible for Ministerial Services is the Responsible Minister for Vote: Ministerial Services.

The Department of Internal Affairs' policies and administrative processes provided accountability for the way in which Ministerial Services funds are appropriated.

Future Disclosure

It is intended that the Department of Internal Affairs will provide future information on the expenses of members of the Executive on a quarterly basis.