

Submission  
to the  
Law Commission  
on the  
**Civil List Act 1979**

**5 September 2008**



**Republican Movement  
of Aotearoa New Zealand**

## Introduction

1. The Republican Movement's submission on the **Civil List Act 1979** relates specifically to Part 1 of the Act, which defines the Governor-General's salary, allowances and annuities.
2. The Republican Movement believes New Zealand should become a republic. We believe that becoming a republic will involve reforming the office of Governor-General into New Zealand's head of State, and as such, we take particular interest in any changes to the office.
3. The expense of a future republican head of State is one common concern of the New Zealand public in the republic debate. Greater clarity on the expenses of the office of Governor-General is crucial in both understanding the office and how it might be reformed.
4. The legislative framework establishing the office's pay structure also raises specific questions about the Governor-General's office itself. The Republican Movement believes that creating a separate statute for the office should take a holistic view of the position, rather than simply changing the way in which the Governor-General is paid.

## The Governor-General's tax-exempt status

5. It is the Republican Movement's submission that the Governor-General should pay tax on their salary. We believe there should be a commiserate increase in the Governor-General's salary to compensate for the decrease in take-home pay caused by paying income tax.
6. There is no justification for the Governor-General's tax-exempt status. It is a pointless historical anachronism.
7. Section 3(1)(a) of the Act should be amended to reflect this, by removing the words "which salary shall be determined on the basis that it is and will remain exempt from income tax".
8. We note that the Queen now voluntarily pays income tax on some of Her Majesty's income, and the Governor-General of Australia pays tax on their salary. It would make sense for New Zealand's Governor-General to fall into line with Commonwealth trends.

## Commencement of term as Governor-General

9. We note the archaic terminology used in section 3(3) of the Act dates from a time when Governors and Governors-General were always from the United Kingdom, and required payment for when they left the United Kingdom for New Zealand before taking up office.
10. All Governors-General appointed since 1967 have been New Zealanders by birth or domicile. Despite suggestions from time to time that a member of the Royal family could take up the post, there is no reason to suggest that New Zealanders will not be appointed in the future.
11. As such, the sub-section ought to be repealed to reflect that Governors-General are from New Zealand and do not have to travel to New Zealand to take up their commission.
12. We suggest the Governor-General be compensated for the time between the announcement of their appointment by Buckingham Palace to the office and their swearing-in as Governor-General at a rate of three-quarters of their normal salary, to allow for periods of time when Governors-General designate are without pay.

## **The Minister of Finance’s powers**

13. It is the Republican Movement’s submission that, on the basis of points 5 - 8 above, section 7 is redundant also and should be repealed.

## **Administrator of Government’s salary**

14. The Republican Movement submits that Administrator of Government should not be paid a salary for their duties when acting as Administrator.
15. As the review points out, the Administrator is usually the Chief Justice, who is paid a judicial salary in any case. We understand that the duties of the Administrator are not onerous, as no Administrator has ever been required to undertake the ceremonial and community tasks of the Governor-General. We also note that since only New Zealanders have been appointed to the office, the period of time between Governors-General has decreased to a matter of weeks, rather than months.
16. Section 8 of the Act should therefore be repealed.

## **Legislative framework**

17. The Republican Movement supports the drafting and passing into law of a “Governor-General Act” to clearly spell out the Governor-General’s salary, allowances and annuities.
18. We also suggest that if such an Act is to be suggested, it should take a holistic view of the office of Governor-General, and formalise certain issues around the office which currently cause confusion.
19. Such an Act could formalise the constitutional realities of the Governor-General’s tenure in office, which the drafting of section 3(3) raises:
  - a. It should be stated that the appointment and dismissal of the Governor-General is made by the Sovereign on the advice of the Prime Minister, in consultation with the leader of the opposition; and
  - b. It should be stated that Governors-General are to serve one term of five years, with Governors-General designate to be announced to Parliament by the Prime Minister six months before the expiration of the incumbent Governor-General’s term.
20. Defining the Governor-General’s term would clarify the issues around arrival and departure from New Zealand which arose in point 9. It would also greatly help clarify the nature of the office of Governor-General in the eyes of New Zealanders, and simplify the issues around when the Governor-General's salary payments should begin - from the date of their announcement as Governor-General designate.

## **Conclusion**

21. While we believe that the office of Governor-General is inadequate for New Zealand's requirements, increased transparency of the office of Governor-General is essential.
22. As New Zealand moves further towards articulating a national identity of its own, and hence towards a republic, the debate will continue to focus on the office of the Governor-General.