

REPORT 1
(1215/11/IM)

ELECTED MEMBERS REMUNERATION 2013

1. Purpose of report

This report is to respond to the request by the Remuneration Authority (the Authority) to submit its proposal for additional remuneration for additional responsibilities to take effect after the 2013 Local Body Elections. The report seeks Council's approval for the allocation of additional remuneration for additional responsibilities, based on the current governance structure.

2. Executive summary

The Authority has informed all Councils of the revised base salaries for all elected members which will come into effect after the 2013 local election. A pool has been established to cover Councillors' additional responsibilities; however any additional remuneration for community boards is not drawn from this pool. This pool is calculated at 1.5 times a Councillor's base salary. The Council is being asked to provide submissions by 19 July regarding:

1. The allocation of the pool for additional responsibilities for Councillors
2. The identification of additional responsibilities for community boards and additional payment in respect of these additional responsibilities.

Once the Authority has received and considered all proposals for additional remuneration for additional responsibility it will issue a formal determination that will take effect from after the 2013 election.

Should the Council agree on a different governance structure and/or allocation of responsibilities, it will be required to apply to the Authority to amend the way the additional pool is allocated.

3. Recommendations

Officers recommend that the Council:

1. *Receive the information.*
2. *Note that the Authority has set the annual base salary for Wellington City Council elected members as follows:*
 - *Mayor \$158,300*
 - *Councillor \$76,600*
 - *Member, Makara/Ohariu Community Board \$4,500*
 - *Chair, Makara/Ohariu Community Board \$9,000*
 - *Member, Tawa Community Board \$8,500*
 - *Chair, Tawa Community Board \$17,000*

3. *Note that the Authority has set a pool of \$114, 900 (i.e. 1.5 times a councillor's base salary) to cover Councillors' additional responsibilities.*
4. *Note that the Remuneration Authority has requested submissions from Councils on additional responsibilities for Deputy Mayor, Councillors and community boards.*
5. *Note that the Tawa and Makara/Ohariu community boards have been given the opportunity to identify any additional responsibility for consideration for inclusion in the Council submission to the Remuneration Authority and that the Makara/Ohariu community board has identified specific responsibilities in this regard.*
6. *Agree to make a submission to the Remuneration Authority based on Option B outlined in this report.*
7. *Agree to include in its submission an additional payment of 15% for additional responsibility to the Makara/Ohariu community board base salary, in respect to additional remuneration for additional responsibilities for the community board as a whole.*

4. Background

The Authority issued its information on base salaries for councils other than Auckland on 2 May 2013. (Refer Appendix 1). In a change from past practice, salaries have been fixed for all elected members, based on a job sizing determination.

The Authority has instructed councils to set aside a figure of 1.5 times a councillor's base salary for additional remuneration of Councillors in respect of additional responsibilities including the appointments of Deputy Mayor, committee Chairs and Portfolio Leaders. The additional responsibilities pool for Wellington City Council is \$114,900 in total.

The authority has deviated from past practice by:

- Fixing a base salary for Mayor, Councillors, community board members and community board chairpersons
- Fixing a pool (of 1.5 times the base salary for a Councillor) for additional responsibilities for Councillors only
- Directing that additional remuneration for additional responsibilities for community boards is not to drawn from the pool for additional responsibilities
- Fixing elected member remuneration ahead of the local elections so as to give some certainty to candidates
- Requiring submissions on additional remuneration for additional responsibilities from the pool set aside for this purpose, as well as submissions on additional responsibilities for community boards.

The Authority has stated, that if a council decides to restructure duties among members and as a result changes its committee structure subsequent to the 2013 election, it may submit a revised proposal to the Authority.

Extract from information distributed by the Authority are included for completeness:

“Why are we being asked to submit proposals to the Authority now on additional pay for positions of additional responsibility, when they may change after the elections?”

It is important that candidates are fully informed of the remuneration they will receive if elected. Some councils can take considerable time to reassess and implement any changes to their governance structures. The Remuneration Authority recognises there could be some changes after the elections but past experience indicates these are not likely to be significant.

Where councils do reallocate duties among members after the election they may apply to the Authority to vary the way the additional pool of funding is allocated.”

(Refer Remuneration Authority Frequently Asked Questions – Appendix 2)

The Authority, in response to a query from this Council, has clearly stated that it expects all councils to submit their proposals for additional remuneration for additional responsibilities by 19 July 2013 and that future changes to committee structure and responsibilities can be addressed at the time they are made through a revised proposal.

5. Discussion

The Remuneration Authority requires submissions on additional responsibilities from Councils by 19 July 2013.

The Authority has stipulated:

- Maximum additional payment to a deputy mayor is 40 % of base salary
- Payments to committee chairs and portfolio leaders to be between 5 and 25% of base salary.

Staff have developed three options for Council to consider. These options are summarised in Appendix 3 and detailed below.

For context the current remuneration for Mayor and Councillors is:

Current

Position	Base salary	Addition for Additional responsibility	Current total Annual Salary
Mayor	\$161,600		
Deputy Mayor	\$65,926	\$31,504	\$97,430
Chair, Strategy & Policy Committee	\$65,926	\$24,399	\$90,325
Chair, Regulatory Processes Committee	\$65,926	\$19,294	\$85,220

Chair, Grants Subcommittee (and Portfolio Leader)	\$65,926	\$19,294	\$85,220
Portfolio Leaders (x9)	\$65,926	\$14,374 x9 = \$129,366	\$80,300 x9 = \$722,700
Councillor (x1)	\$65,926		\$65,926
Amount allocated by Council for responsibilities		\$223,857	

Proposed Option A:

Option A is based on the maximum percentages stipulated by the Authority. The salary for Deputy Mayor is calculated at an additional 40% of base salary, 25% for the Chair of the committee of the whole, 20% for other Chairs and the balance of the pool divided between the nine Portfolio Leaders.

Option A

Position	Base salary	Addition for Additional responsibility	Proposed Total Annual Salary	% on top of base salary
Mayor	\$158,300		\$158,300	
Deputy Mayor	\$76,600	\$30,640	\$107,240	40%
Chair, Committee of the Whole	\$76,600	\$19,150	\$95,750	25%
Committee Chair, Regulatory Processes	\$76,600	\$15,320	\$91,920	20%
Chair, Subcommittee (and Portfolio Leader)	\$76,600	\$15,320	\$91,920	20%
Portfolio Leaders (x9)	\$76,600 x9 = \$689,400	\$3,830 x9 = \$34,470	\$80,004 x9 = \$720,036	5%
Councillor (x1)	\$76,600		\$76,600	
Pool for Additional Responsibilities		\$114,900		
Max Pool		\$114,900		

Proposed Option B

Option B recommends an additional 30% to the base salary for Deputy Mayor, 20% to the Chair of the committee of the whole, 15% to remaining Chairs and the remainder of the pool divided equally among the nine Portfolio Leaders at 7.7%.

Option B

Position	Base salary	Addition for Additional responsibility	Proposed Total Annual Salary	% on top of base salary
Mayor	\$158,300		\$158,300	
Deputy Mayor	\$76,600	\$22,980	\$99,580	30%
Chair, Strategy & Policy Committee	\$76,600	\$15,320	\$91,920	20%
Chair, Regulatory Processes Committee	\$76,600	\$11,490	\$88,090	15%
Chair, Grants Subcommittee	\$76,600	\$11,490	\$88,090	15%
Portfolio Leaders (x9)	\$76,600 x9 = \$689,400	\$5,957.77 x9 = \$53,620	\$82,557.77 x9 = \$743,019.93	7.77%
Councillor (x1)	\$76,600		\$76,600	
Pool for Additional Responsibilities		\$114,900		
Max Pool		\$114,900		

Proposed Option C

This option proposes an additional payment of 30% to the base salary for the Deputy Mayor, 20% to the Chair of the committee of the whole, remaining Chairs and Portfolio Leaders receive an additional 10% to the base salary.

Option C

Position	Base salary	Addition for Additional responsibility	Proposed Total Annual Salary	% on top of base salary
Mayor	\$158,300		\$158,300	
Deputy Mayor	\$76,600	\$19,150	\$95,750	25%
Chair, Strategy & Policy Committee	\$76,600	\$11,490	\$88,090	15%
Chair, Regulatory Processes Committee	\$76,600	\$7,660	\$84,260	10%
Chair, Grants Subcommittee	\$76,600	\$7,660	\$84,260	10%
Portfolio Leaders (x9)	\$76,600 x9 = \$689,400	\$7,660 x9 = \$68,940	\$84,260 x9 = \$758,340	10%
Councillor (x1)	\$76,600		\$76,600	
Pool for Additional Responsibilities		\$114,900		
Max Pool		\$114,900		

It is noted these proposals or in the Authority's information do not take into account any payment elected members may receive from council controlled

organisations, or sitting on resource consent or other statutory hearings, as the Authority has directed this is specifically not a matter for consideration.

Officers recommend option B as the preferred option as it is more closely aligned with the current remuneration for Councillors. It is intended to deliver an equitable distribution of the pool in relation to Councillors' additional responsibilities. In this option, the deputy mayor would receive an additional 30 % of base salary, the chair of the committee of the whole 20%, other chairs 15%, with the balance divided equally among the 9 portfolio leaders.

5.1 Community Boards

Remuneration for additional responsibility for community boards may also be considered. Funding for this will not come from the Councillors' pool for additional responsibility. The Authority requires clear evidence of additional workload, which must be for the community board as a whole, not for individual members.

A maximum of 30 % can be added to the community board members' base salary. The Authority will take into consideration:

- The implications for overall workload, such as significant additional hours required
- Whether the additional responsibility is an ongoing one
- The extent to which the community board's members' 2013 base salary was modified upwards or downwards from its unadjusted 2013 members' salary.

Tawa and Makara/Ohariu community boards have been requested to identify additional responsibilities for the board as a whole and recommend additional remuneration in respect of these responsibilities.

Tawa community board has not identified any additional responsibilities of the board as a whole which would require additional remuneration. The remuneration of the Tawa community board will be as follows:

Position	Annual Salary 2012-13	Annual Salary after the 2013 elections	Variance
Chair, Tawa community board	\$21,165	\$17,000	-\$3,165
Member, Tawa community board	\$8,465	\$8,500	+\$35

Officers had recommended an additional payment of 10 % of base salary for the identified additional work and representations that the Makara/Ohariu community board is required to take, and will continue to take in the respect of Westwind and Mill Creek wind farm developments (which are projects of significant national importance). The Makara/Ohariu Community Board, however, has prepared a detailed submission (appendix 4) requesting a minimum additional payment of 15 % of base salary for the community board as a whole. This is intended to cover their existing responsibilities including the

identified additional responsibilities generating additional workload for the board as a whole. If Council accepts this proposal, the Makara/Ohariu community board remuneration would be as follows:

Position	Annual Salary 2012-13	Annual Salary 2013-14 after the 2013 elections	Variance	Annual Salary 2013-14 with additional responsibility - 15%	Variance from 2012-13
Chair, Makara/Ohariu community board	\$13,550	\$9,000	-\$4550	\$10,350	-\$3,200
Member, Makara/Ohariu community board	\$5,295	\$4,500 each	-\$795	\$5,175	-\$120

5.2 Consultation and Engagement

Elected members were advised of the Authority’s decision on the approach to remuneration to take into effect after the October 2013 election, by email on 6 May 2013. The matter has been reported to Tawa community board on 13 June 2013. It was to be reported to the Makara/Ohariu community board on 20 June 2013, but the meeting had to be cancelled due to the severe storm. The Makara/Ohariu community board subsequently informally approved its submission by email.

5.3 Financial considerations

The base salaries for all elected members together with the pool for additional responsibility and the proposed additional payment to the Makara/Ohariu community board can be met from the allocation for elected member remuneration in 2013/2014 Annual Plan.

5.4 Climate change impacts and considerations

There are no anticipated climate change impacts or considerations.

5.5 Long-term plan considerations

All additional payments identified will be met from current long term budget forecasts.

6. Conclusion

The Council is required to submit to the Authority by 19 July, its proposal on allocating the prescribed pool of 1.5% of base salary, for additional responsibilities for councillors as well as any proposal relating to additional payment to any community board.

Council will have the opportunity to submit a revised proposal following the election, should its committee and elected member responsibility structure change or should there be any change in community board responsibilities. Council is requested to approve a proposal based on Option B for Councillors and to approve the submission from the Makara/Ohariu community board for additional remuneration for the additional responsibilities it has identified for the community board as a whole.

Contact Officer: *Charlie Inggs, Electoral Officer and Special Projects.*

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

This project supports Outcome 7.2.B – More actively engaged: Wellington City Council will operate an open and honest decision making process that generates confidence and trust in the democratic system

2) LTP/Annual Plan reference and long term financial impact

Relates to C534: Elections, Governance and Democratic Process

3) Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations.

4) Decision-making

This is not a significant decision

5) Consultation

a) General consultation

Council is not required to consult on this matter.

b) Consultation with Maori

Not required.

6) Legal implications

There are no legal implications.

7) Consistency with existing policy

This report is consistent with existing Wellington City Council policy



30 April 2013

Ms Celia Wade-Brown
Mayor
Wellington City Council
PO Box 2199
WELLINGTON 6140

Dear Ms Wade-Brown

Remuneration Post Elections 2013

This letter sets out information about your council's remuneration additional to the basic information given in the "Local Authority Elected Member Remuneration Setting 2013" document which has been made available to all councils.

The information will give you a better idea of the total costs for your council, the changes to your base councillor remuneration, and the effects of limiting large increases or decreases in councillor salaries.

In this letter, for your council:

2012 Base Councillor Salary, means the actual lowest rate of councillor salary in your council, with meeting fees (if any) spread evenly amongst all councillors.

2012 Average Councillor Salary, means the 2012/13 residual pool, less any amounts paid out of the pool for elected Community Board Members, divided by the number of councillors.

2013 Raw Councillor Salary, means the base councillor salary before limiting any large increases or decreases.

2013 Base Councillor Salary, means the base councillor salary to apply from elections 2013.

2012 Mayor's salary is before any reduction due to the provision of a car.

2013 Mayor's salary is before any reduction due to the provision of a car.

Mayor's Salary

2012 Mayor's salary: \$161,600
 2013 Mayor's salary: \$158,300

Change in Mayor's salary: \$-3,300

Councillors' salaries

2012 Base Councillor salary: \$65,926
 2012 Average Councillor salary: \$81,916

Ratio of average to base: 1.24

As this average is greater than or equal to 1.11 (the national average) it means that your council generally had a greater differential between salaries for positions of responsibility and base councillor salaries. Other things being equal this means that your council's change in base councillor salary may be larger (or less negative) than other councils.

2013 Raw Councillor salary: \$78,907
 2013 Base Councillor Salary: \$76,600
 Change from 2012 Base Councillor salary: \$10,674

Without limiting any large increases or decreases, your base councillor salary would have increased by \$12,981 which was considered to be too large an increase, would have had too great an adverse impact on ratepayers, and could be regarded as denigrating the position for retiring councillors. Therefore the increase has been limited to \$10,674.

As part of your Community Board salaries were paid from your pool, other things being equal your 2012 Base Councillor Salaries and your 2012 Average Councillor Salaries would be less than similar councils without Community Boards. Therefore, other things being equal, your change from 2012 Base Councillor Salary would be greater than for similar councils with no Community Boards.

The base salary set for your council, in our view, fairly recompenses a councillor who spends on average between 3 and 4 days a week undertaking councillor duties over a three year period.

Community Boards

The attached table shows, for each of your communities, the 2012 Member salary, the 2013 salary before any adjustments to limit large increases or decreases ("Unadjusted 2013 Member Salary"), the actual 2013 salary to apply from elections 2013 ("2013 Member Salary"), and the change in member salary.

Where the 2013 Member Salary is the same as the Unadjusted 2013 Member Salary the change was within acceptable limits.

Otherwise, the 2013 Member Salary reflects the limiting of large increases or decreases to within acceptable amounts, taking into account:

- a) Impacts on members standing for re-election, and
- b) Impacts on ratepayers, and
- c) The need to avoid denigrating the positions from both the perspective of retiring members and new members.

The table also shows, for each of your communities, the 2012 Chair's salary (where there is an elected member as Chair) as a multiple of the member's salary. This can be compared with the situation from elections 2013 when Chairs will be paid twice the member's salary.

Overall Council Costs

This table compares the 2012 total salary costs with those to apply from elections 2013:

	2012	2013
Mayor's salary	161,600	158,300
Councillors' salaries	1,146,821	1,187,300
Community board salaries	103,515	91,000
Total Salary cost	1,411,936	1,436,600

Your total salary costs will increase by 1.7%. The average for all councils is 9.3%

The 2013 salaries have been calculated on the following assumptions:

- a) Your council will fully utilise the extra 1.5 times base councillor salary for positions of additional responsibility, and
- b) Community Board members will be paid at the base rate, and
- c) Community Board Chair positions will still be filled by sitting councillors where they are currently so filled, and
- d) There will be no Community Board Deputy chairs.

Yours sincerely



John Errington
Chairman

Community Board Elected Member Remuneration

Council	Community	2012 Member salary	Unadjusted 2013 Member Salary	2013 Member Salary	Change in Member Salary	2012 Chair Salary as multiple of Member's salary
Wellington City	Makara-Ohariu Community	5,295	1,878	4,500	-795	2.56
Wellington City	Tawa Community	8,465	8,469	8,500	35	2.50

Local Authority Elected Member Remuneration Setting 2013 (excluding Auckland Council)

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1. Introduction

The Authority has completed its review of the remuneration setting for local government elected members.

This final report:

- explains the new remuneration setting system, based on job evaluation and the hours involved in undertaking governance and representation functions
- recommends ongoing engagement with elected members, via Local Government New Zealand (LGNZ), to ensure both the Authority and LGNZ share information on the work issues confronting local government
- recommends a rigorous three-yearly review of the nature of the position and of the time commitment for elected members of local authorities.

This report is not a formal remuneration determination. A formal determination will be made once remuneration for all councils' positions of additional responsibility has been agreed upon.

2. The story of the review

The Remuneration Authority first established local government elected official remuneration in 2003, following a development process during 2002. This sat alongside the major changes to the role and responsibilities of local government, which were enshrined in the Local Government Act 2002 and continue to this day.

The structural components of the system introduced for 2003 have remained substantially unchanged since that time, although responsibilities and work practices changed, and public expectations concerning the availability and responsiveness of all public officials increased. However, in 2010 a separate remuneration arrangement was established for the new Auckland City.

By 2010 the Authority had concerns that the remuneration of regional chairpersons and mayors did not reflect the responsibilities of the position, and after an interview and job evaluation programme in 2010 the Authority adjusted the remuneration calculation for those positions, at that time recognising that in larger centres this was close to a full-time position.

Meanwhile the system of providing a pool of funds for each council, which did not have any correlation with the numbers of elected members, was leading to enough disparity among similarly sized districts to cause the Authority to undertake a 'root and branch' review.

Our review, which has spanned almost two years, has involved the publication of two discussion documents¹, engagement with local government elected officials, chief executives and LGNZ, presentations made to meetings in most zones, and written feedback on the proposals put forward. The Authority would like to thank all those who contributed their views to the process.

This final report includes recommendations that will be implemented from immediately after the 2013 local government elections and includes details of the base rates the Authority will be implementing in each district.

The Authority's approach to setting remuneration

The Authority sets remuneration for a range of positions in full-time statutory roles and committee and board roles. To achieve a degree of equity among these positions the Authority uses the Hay Group system of job evaluation to size positions. The Authority then establishes an internal payline, drawing on publicly available data, information provided by the State Services Commission and survey data from other sources. Given the nature of the positions involved, the Authority draws primarily on the public sector, and also applies a 'public good' reduction to the remuneration established, to reflect the principle of public service involved in most of the positions for which it sets remuneration.

¹ *Review of Local Authority Remuneration Setting* (September 2011) and *Remuneration Setting Proposals for Local Authorities 2013 and Beyond* (November 2012). Both are available on the Authority's web site: www.remauthority.govt.nz

The Authority has now decided to apply this methodology to local government positions, although as this report outlines, some local flexibility will be retained to reflect differing work practices and pressures.

During 2012 job sizes were considered, a size index for districts and regions was developed and work was undertaken to review hours of work for elected officials.

The Authority has confidence in the results obtained in the first two of these areas, but a lack of consistency in the reporting of hours worked has resulted in the Authority being required to apply more discretion in that area than it would, ideally, have liked. It is the Authority's intention to place increased focus on this area of work in future reviews to ensure that both increases and decreases in the time commitment required are reflected in remuneration.

The process described above has allowed the Authority to determine a 'rate for the job' approach to positions to which both a 'public good' reduction and a recognition of the part-time nature of the role can be applied.

This change of approach has revealed that significant changes in remuneration, both up and down, should be provided for many basic councillor positions. The changes range from – \$17,500 to +\$16,200. Although these amounts are, on the surface, significant, for some the real increase will be much less, as meeting fees and special rates are subsumed into the base rate.

We are also required to look closely at other elements of the Authority's legal mandate and discretions to determine the extent to which it is appropriate to determine such changes. The Remuneration Authority Act specifically requires us to take into account any prevailing adverse economic conditions and allows us to set pay at a lower rate than might otherwise have been the case.

New Zealand, like the rest of the world, is going through a period of restricted growth and restricted income movements as economies adjust to the global financial crisis. Households across the country are experiencing little or no increase in income, and balancing the books has come sharply into focus.

Elected members' remuneration represents only a fragment of the average rate bill (typically about 0.9%). Yet to individual ratepayers already beset by other costs, any large increases may seem unfair and arbitrary.

In most countries, decision making about remuneration is separate from the development of remuneration proposals. The developing authority has the luxury of generosity and the deciding authority the luxury of public support for frugality. In New Zealand, the Authority serves both roles and must therefore balance recognition of the adverse economic environment against fairness to elected members and fairness to ratepayers.

We have sought to achieve such a balance in the new remuneration setting explained in this report.

We have done this in the awareness that a lack of reasonable remuneration might be an impediment to some standing for election, which clearly undermines local democracy. Alternatively, the view that elected members have received significant rises at the expense of services and rate increases also undermines that democracy.

We believe the increases in this document balance these two important criteria.

We also believe that such compromises should be transparent and that as the economic environment changes and efficiencies occur within local government there should be a forum where views can be exchanged. Both legislative and structural change in this sector has been ongoing for the last decade and the reviews currently under way appear to continue this change. Therefore we have developed as a component of our recommendations an annual engagement with local government representatives.

Finally, the Authority believes that only robust review can provide confidence in this area and we will in future look in the year prior to local government elections at all the key components of remuneration. This should pick up the incremental changes in role that occur in all areas, and over time should build a broader consensus on the nature and amount of members' remuneration.

The new levels of remuneration recommended in this document amount to an overall increase in remuneration costs of \$3.1m (or 8.9%) across 77 regional and district authorities, or \$1.17 per citizen, and are in our view justifiable in terms of equity and fairness. We believe that the new system will be much simpler to manage, and, whilst cost savings are not quantifiable, the time savings for staff and councils will result in increased efficiency and saving.

3. Review of submissions

The Authority received around fifty submissions on its document *Remuneration Setting Proposals for Local Authorities 2013 and Beyond*, and would like to thank councils for giving this matter such useful attention, especially in the run up to the holiday season.

The submissions overwhelmingly supported the approach being taken, and the administrative simplicity of the new arrangements. Submitters also urged that detail applying to each council be provided well before nominations for this year's election to enable councils to prepare and budget.

Strong supporting or opposing comments were received in a number of areas and have been read and considered by the Authority, and Appendix C outlines both the main thrusts of comment and the Authority's thoughts on them.

4. Broad outline of the new approach

The new approach to setting remuneration for local authority elected members, to take effect immediately after the elections in 2013, has the following features.

- a) The pool approach will be replaced by a system in which the Authority sets base salaries for elected members of regional and territorial authorities and for community boards.
- b) A pool will be available to each council to provide additional pay for members who take on additional responsibilities, such as chairing a committee. This fund will be capped at the equivalent of 1.5 times the base councillor salary.
- c) A measure of the relative size and complexity of each council's business activities, called the 'size index' is developed.

- d) Salaries of mayors and chairpersons of regional councils are based on the size index for the council.
- e) A base councillor salary is set for each council, based on the size index for the council.
- f) Salaries for councillors with additional responsibilities are set based on representations from councils, with a cap on total additional salary cost per council expressed as a multiple of the council's base councillor salary.
- g) Community board elected members' salaries are based on the population base for the community.
- h) Every three years the Authority will review the process for setting size indices, and the relationships between size indices and remuneration. Resulting changes will take effect immediately after council elections.
- i) Every year the Authority will recalculate size indices, will determine any appropriate general increase in salaries as a result of CPI changes, and determine remuneration based on the relationships developed at the previous triennial review. No base councillor remuneration will decrease as a result of this recalculation. Meeting fees will no longer be available.
- j) Levels of remuneration could be reviewed if significant change to legislation affecting the role and responsibilities of local government elected representatives occurred.

5. Triennial reviews

Every three years, before the council elections, the Remuneration Authority will:

- a) Reassess the statistics (such as population) to be used to determine size indices, and the weights to be used for each statistic, taking into account the availability/reliability of the statistics and their perceived influence on the size and complexity of a council's business.
- b) Independently job size sample representative councillors', mayors', and regional chairpersons' jobs, based on the requirements and scope of the jobs at the time.
- c) Form a view on the relationship between a council's size index and proportions full time for mayors and regional chairpersons.
- d) Survey councils to form a view on the relationship between a council's size index and the proportion full time for base councillor work.
- e) Set a pay line relating job size and full-time remuneration.
- f) Using the above information, establish relationships between size index and mayors' salaries, regional chairpersons' salaries, and councillors' base salaries (the 'index/salary relationships').
- g) Set mayors', regional chairpersons' and base councillor salaries, taking into account any need to limit the size of increases or decreases because of the factors the Authority is required to consider when setting remuneration.
- h) Set a base salary multiple cap for positions of additional responsibility.
- i) Invite representations from councils concerning additional payment for additional responsibilities and set salaries for positions of additional responsibility.
- j) Assess the requirements and scope of community board members' jobs.
- k) Reassess the methodology for setting community board members' salaries, if it is felt that the current method of basing them on population is no longer appropriate or can be improved.
- l) Establish a relationship between population and community board member salaries (if population is still to be used as the basis for setting remuneration).
- m) Set community board members' salaries and community board elected chairpersons' salaries, taking into account any need to limit the size of increases or decreases because of the factors the Authority is required to consider when setting remuneration.

- n) Reassess rates, thresholds, caps, and conditions for travel-time allowances, mileage allowances, communication allowances, and resource consent hearings.

The salaries will take effect immediately following the council elections and will continue until the following 30 June.

6. Yearly reviews

In the intervening years the Remuneration Authority will:

- a) Recalculate size indices using the latest available statistics.
- b) Determine any appropriate general increase in salaries caused by increases in CPI or general wage levels, and prevailing economic conditions.
- c) Calculate revised mayors' and regional chairpersons' salaries and councillors' base salaries using the index/salary relationships developed at the preceding triennial review and the appropriate general salary increase rate.
- d) Set mayors' and regional chairpersons' salaries and councillors' base salaries provided that no individual salary will be reduced.
- e) Calculate revised community board members' salaries using the methodology developed at the preceding triennial review and the appropriate general salary increase rate.
- f) Set community board members' salaries, provided that no individual salary will be reduced.
- g) Reassess rates, thresholds, caps, and conditions for travel-time allowances, mileage allowances, communication allowances, and resource consent hearings.

The determinations will run from 1 July to 30 June. In election years the determinations will be allowed to run unchanged until the time of the elections.

7. Pool for positions of additional responsibility

Councils will be invited to make representations to the Authority for additional remuneration for:

- community boards that have additional levels of responsibility, and
- councillor positions of additional responsibility (including deputy mayors), and
- recognition of intermittent duties during the District Plan process.

Community boards

The basic role description that was used to set community board salaries is shown in Appendix B.

Representation concerning additional levels of responsibility will need to address:

- what the levels of additional responsibility are
- documentation (council minutes) of the ceding of those levels of responsibility from council
- the extent to which the levels can be varied
- the benefit to ratepayers
- estimation of extra time involved in carrying out the extra responsibilities
- the sharing of the responsibilities amongst the community board members
- recommended additional remuneration.

Note that the additional responsibilities must be to the board as a whole and not to individual members. It is not expected that any core council responsibilities will be delegated from the council to the board as that would be seen as reducing the role of the council.

The maximum percentage addition to the base community board member salary will be 30%.

No additional remuneration will attach to the position of deputy chairperson of a community board (if such a position is contemplated).

The remuneration of an elected chairperson will be twice the salary of a community board member (including additional remuneration, if any). Confirmation that the chairperson is carrying out the additional roles as set out in Appendix B will be required.

Councillors

The basic role description that was used to set councillor salaries is shown in Appendix B.

Representation concerning additional levels of responsibility will need to address:

- the role title
- the role description, specifying additional responsibilities over and above the basic councillor role covering duties, delegations, deputising, and reporting obligations
- documentation (council minutes and formal resolutions) of the setting of those responsibilities
- the extent to which the duties can be varied
- the benefit to ratepayers
- estimation of extra time involved in carrying out the duties
- recommended additional remuneration.

Possible descriptions of additional levels of responsibility are shown in Appendix D. It is expected that additional remuneration for committee chairpersons or leaders will be between 5% and 25% of the base councillor salary.

It is expected that deputy mayors' additional remuneration will not exceed 40% of the base councillor salary.

The maximum total additional amount that may be used to augment salaries for positions of additional responsibility is 1.5 times the base councillor salary.

District and Regional Plan reviews

With the Authority's prior approval, councils may elect to carry forward part of the 1.5 times base councillor salary for use in augmenting councillors' remuneration in years when District or Regional Plans are being developed. The council will need to keep the Authority informed of the amounts carried forward and their application when used. It is expected that the amount carried forward in each year will be booked as an expense in the year it is carried forward.

8. Resource consent hearings

As noted earlier, hearing fees for non-council initiated resource consent hearings will continue to form part of the Authority's determination.

The hourly rate will be reviewed each year. The hourly rate to apply from immediately after the 2013 elections will be:

Chairpersons: \$100 per hour of hearing time
Others: \$80 per hour of hearing time

Preparation time of up to the time of the duration of the hearing may be remunerated at the same rates.

9. Travel-time and mileage allowances

The maximum hourly rate for travel time will be increased to \$35 after the 2013 elections. All other conditions for the travel-time allowance will be unchanged. The \$35 an hour rate, based on the hourly rate equivalent of the average annual salary for an elected representative, will replace the current rate of \$15.

The maximum mileage allowance for the first 5,000 kilometres will be increased to 77 cents per kilometre and the maximum for distances greater than 5,000 kilometres will be increased to 37 cents after the 2013 elections. This broadly follows the IRD mileage rate. All other conditions for the mileage allowance will be unchanged.

10. Mayoral cars

The Authority will continue to require to be informed whenever a mayor's car or private usage changes, with details of the new car's cost and details of any changed private usage.

We will not, however, adjust the mayor's salary unless, in our opinion, the change in car or private use is significant enough to warrant a change. Changing a car for a later similar model and make would not normally trigger a salary change.

11. Communication allowances

A paper to be released shortly.

12. Expense approvals

Approval for expenses will be required every three years, in election year, rather than every year. Where new issues arise a council may seek an amendment during the three-year period. To avoid unnecessary regular amendments councils might wish to consider wording the mileage, travel and communication allowances in such a way that any change to the maximum amount payable in the determination is automatically adjusted in the policy. The intention with this change, as with others, is to free up administration and councillor time without reducing the opportunity to raise matters with the Authority.

13. Base remuneration 2013

The triennial review approach described above has been developed and used for the 2013 salaries to take effect immediately after the 2013 elections.

For councillors and community board members the new system, in which the Authority sets base salaries, is a significant change from the old system, where the Authority set a pool but individual councils had a significant input into how the pool was distributed amongst councillors.

Some councils have a relatively low 2012 base councillor salary² with a greater differential between salaries for positions of additional responsibility and the base councillor salary, whilst other councils have a much flatter salary structure. Therefore, in many cases the 2013 base councillor salary would have been higher or lower than the 2012 base councillor salary under the pool arrangement.

Where the change in base councillor salary was significantly large (either positive or negative) the Authority considered it best to limit the increase (or decrease) to what it considered acceptable amounts. This is because the Authority is required to be fair to both job holders and ratepayers, as well as to take into account adverse economic conditions. Large increases could be regarded as having an adverse impact on ratepayers' costs and could be regarded as denigrating the position for retiring councillors. Large decreases could have an adverse impact on councillors standing for re-election and could be regarded as denigrating the position for new councillors.

A similar approach was taken with respect to community board members' salaries.

Individual letters to the mayors and chairpersons of each council are being prepared giving more details of the extent to which increases or decreases for their council have been limited, as well as indicating reasons for the new base salaries being different from 2012 base councillor salaries or 2012 community board salaries.

The main factors that can have an impact on the change in base councillor salaries include:

- whether or not all or part of community board salaries had been met from the pool, and
- whether a council had meeting fees, and the extent to which they were evenly spread amongst all councillors, and
- whether a council had a different number of councillors from similar-sized councils, and
- whether a council had a greater or lesser differential between salaries for positions of responsibility and base councillor salaries, and
- whether the council's pool had been augmented by the application of the 'population change' factor.

The main factors that can have had an impact on the change in community board salaries include:

- whether a council had taken into account relative population size when setting community board salaries, and

² 2012 councillor base salary is, for any council, the lowest rate of councillor salary, with meeting fees (if any) spread evenly amongst all councillors

- the relativities between councils, of community board salaries for similar-sized populations.

Where there has been some limitation of base salary decreases, it is likely that there will be no salary increases for those positions in the yearly reviews that will be carried out in 2014 and 2015.

It is not possible to say whether this approach of dampening down large increases or decreases will be necessary in 2016.

14. Ongoing engagement with the sector

The Remuneration Authority intends establishing an ongoing dialogue with representatives of local government as a forum to:

- obtain feedback on how the new system is operating
- identify improvements that can be made to the system at yearly and triennial reviews
- identify any difficulties that councils have in meeting the requirements of the new system
- keep abreast of any changes in local government responsibilities and how those changes might be affecting councillors' roles or ways of doing their jobs.

Appendix A: Salaries from immediately after 2013 elections

Territorial and Unitary Councils

Council	2013 Mayor salary	2013 base councillor salary
Ashburton District	92,450	21,800
Buller District	69,150	16,300
Carterton District	59,750	15,700
Central Hawkes Bay	75,950	22,600
Central Otago District	83,400	17,600
Chatham Islands Council	46,400	8,800
Clutha District	83,550	16,500
Dunedin City	142,000	49,100
Far North District	118,700	40,400
Gisborne District	123,300	30,900
Gore District	69,300	14,200
Grey District	73,200	20,100
Hamilton City	145,800	69,000
Hastings District	121,950	36,400
Hauraki District	81,600	16,800
Horowhenua District	91,050	22,400
Hurunui District	73,400	16,900
Hutt City	132,450	46,900
Invercargill City	109,550	30,500
Kaikoura District Council	51,050	16,800
Kaipara District	84,700	26,200
Kapiti Coast District	105,050	29,000
Kawerau District	58,550	13,100
Mackenzie District	53,700	16,500
Manawatu District	90,500	25,400
Marlborough District	123,550	33,000
Masterton District	85,400	22,100
Matamata - Piako District	93,100	23,400
Napier City	114,350	35,700
Nelson City	121,500	35,700
New Plymouth District	126,400	37,000
Opotiki District	60,850	17,300
Otorohanga District	63,450	15,000
Palmerston North City	124,550	38,400
Porirua City	109,900	31,800
Queenstown-Lakes District	102,850	29,300
Rangitikei District	77,550	18,300
Rotorua District	120,350	39,400
Ruapehu District	75,100	16,100
Selwyn District	105,350	31,600
South Taranaki District	93,550	20,200
South Waikato District	82,650	20,400
South Wairarapa District	64,200	14,800
Southland District	99,300	22,300
Stratford District	63,850	15,200
Tararua District	81,600	23,800

Council	2013 Mayor salary	2013 base councillor salary
Tasman District	123,850	31,700
Taupo District	102,700	31,700
Tauranga City	138,600	69,500
Thames-Coromandel District	99,250	28,500
Timaru District	104,150	29,800
Upper Hutt City	98,550	28,200
Waikato District	115,750	34,300
Waimakariri District	104,850	33,500
Waimate District	59,750	16,400
Waipa District	105,100	27,900
Wairoa District	66,600	21,000
Waitaki District	87,350	20,200
Waitomo District	67,550	22,300
Wanganui District	104,400	28,400
Wellington City	158,300	76,600
Western Bay of Plenty	105,750	28,000
Westland District	66,100	15,300
Whakatane District	98,150	26,000
Whangarei District	127,600	43,600

Community Boards

Council	Community	2013 Member Salary
Ashburton District	Methven Community	2,000
Buller District	Inangahua Community	3,000
Central Otago District	Cromwell Community	6,500
Central Otago District	Maniototo Community	3,000
Central Otago District	Roxburgh Community	3,000
Central Otago District	Vincent Community	7,000
Clutha District	Lawrence-Tuapeka Community	2,500
Clutha District	West Otago Community	2,500
Dunedin City	Chalmers Community	7,500
Dunedin City	Mosgiel-Taieri Community	8,500
Dunedin City	Otago Peninsula Community	7,500
Dunedin City	Saddle Hill Community	7,500
Dunedin City	Strath Taieri Community	7,000
Dunedin City	Waikouaiti Coast Community	7,500
Far North District	Bay of Islands-Whangaroa Community	10,500
Far North District	Kaikohe-Hokianga Community	9,500
Far North District	Te Hiku Community	9,500
Gore District	Mataura Community	1,500
Hastings District	Hastings District Rural Community	6,500
Horowhenua District	Foxton Community	5,500
Hurunui District	Hanmer Springs Community	3,500
Hutt City	Eastbourne Community	6,000
Hutt City	Petone Community	7,000
Hutt City	Wainuiomata Community	7,000
Invercargill City	Bluff Community	4,000
Kapiti Coast District	Otaki Community	7,000

APPENDIX 1

Council	Community	2013 Member Salary
Kapiti Coast District	Paekakariki Community	3,500
Kapiti Coast District	Paraparaumu-Raumati Community	8,000
Kapiti Coast District	Waikanae Community	7,000
Mackenzie District	Fairlie Community	1,500
Mackenzie District	Tekapo Community	1,500
Mackenzie District	Twizel Community	2,000
Matamata - Piako District	Matamata Community	5,500
Matamata - Piako District	Morrinsville Community	5,000
Matamata - Piako District	Te Aroha Community	5,000
New Plymouth District	Clifton Community	5,500
New Plymouth District	Inglewood Community	6,500
New Plymouth District	Kaitake Community	6,000
New Plymouth District	Waitara Community	6,500
Opotiki District	Coast Community	4,500
Otorohanga District	Kawhia Community	1,500
Otorohanga District	Otorohanga Community	6,500
Queenstown-Lakes District	Wanaka Community	11,000
Rangitikei District	Ratana Community	2,000
Rangitikei District	Taihape Community	3,500
Rotorua District	Rotorua Lakes Community	5,500
Ruapehu District	National Park Community	2,500
Ruapehu District	Waimarino-Waiouru Community	3,000
Selwyn District	Malvern Area Community	7,500
Selwyn District	Selwyn Central Community	8,500
South Taranaki District	Egmont Plains Community	5,000
South Taranaki District	Eltham Community	5,000
South Taranaki District	Hawera-Tangahoe Community	5,500
South Taranaki District	Patea Community	5,000
South Waikato District	Tirau Community	2,500
South Wairarapa District	Featherston Community	2,000
South Wairarapa District	Greytown Community	2,000
South Wairarapa District	Martinborough Community	2,000
Southland District	Balfour Community	500
Southland District	Edendale Community	1,000
Southland District	Lumsden Community	500
Southland District	Riversdale Community	500
Southland District	Riverton/Aparima Community	3,000
Southland District	Stewart Island Community	1,000
Southland District	Te Anau Community	4,500
Southland District	Tuatapere Community	1,500
Southland District	Wallace Community	3,500
Southland District	Wallacetown Community	1,000
Southland District	Winton Community	4,000
Southland District	Wyndham Community	500
Tararua District	Dannevirke Community	4,500
Tararua District	Eketahuna Community	3,500
Tasman District	Golden Bay Community	5,500
Tasman District	Motueka Community	6,000
Taupo District	Turangi-Tongariro Community	7,500

Council	Community	2013 Member Salary
Thames-Coromandel District	Coromandel-Colville Community	5,500
Thames-Coromandel District	Mercury Bay Community	6,500
Thames-Coromandel District	Tairua-Pauanui Community	5,500
Thames-Coromandel District	Thames Community	6,500
Thames-Coromandel District	Whangamata Community	6,000
Timaru District	Geraldine Community	4,500
Timaru District	Pleasant Point Community	4,000
Timaru District	Temuka Community	4,500
Waikato District	Huntly Community	4,000
Waikato District	Ngaruawahia Community	4,000
Waikato District	Onewhero-Tuakau Community	4,000
Waikato District	Raglan Community	3,500
Waikato District	Taupiri Community	1,000
Waimakariri District	Kaiapoi Community	6,500
Waimakariri District	Rangiora Community	7,000
Waimakariri District	Woodend-Ashley Community	6,500
Waipa District	Cambridge Community	7,500
Waipa District	Te Awamutu Community	7,500
Waitaki District	Ahuriri Community	5,500
Waitaki District	Waihemo Community	5,500
Wanganui District	Wanganui Rural Community	4,500
Wellington City	Makara-Ohariu Community	4,500
Wellington City	Tawa Community	8,500
Western Bay of Plenty	Katikati Community	4,000
Western Bay of Plenty	Maketu Community	2,500
Western Bay of Plenty	Omokoroa Community	3,500
Western Bay of Plenty	Te Puke Community	4,000
Western Bay of Plenty	Waihi Beach Community	3,500
Whakatane District	Murupara Community	3,000
Whakatane District	Ohope Beach Community	3,000
Whakatane District	Rangitaiki Community	3,500
Whakatane District	Taneatua Community	3,000
Whakatane District	Whakatane Community	4,000

Regional Councils

Council	2013 Chair salary	2013 base councillor salary
Environment Bay of Plenty	130,750	52,000
Environment Canterbury	152,000	59,100
Environment Southland	90,400	30,600
Environment Waikato	142,900	55,400
Hawkes Bay Regional	109,800	46,700
Horizons.mw	120,650	40,300
Northland Regional Council	106,650	52,700
Otago Regional Council	117,750	43,300
Taranaki Regional Council	91,700	32,800
Wellington Regional Council	157,300	57,600
West Coast Regional Council	70,250	30,300

Appendix B: Position descriptions

Councillor – Base role description

Collective duties of the council

- Representing the interests of the council
- Formulating the council's strategic direction and relative priorities through the Long Term Council Community Plan (LTCCP), which determines the services and activities to be undertaken by council over a ten-year period
- Determining the expenditure and funding requirements of council activities through the LTCCP and annual planning processes
- Overseeing, developing and/or approving all council policies, administrative, legal, financial and strategic, including formal regional, city and/or district planning matters within the council's geographical area of responsibility
- Monitoring the ongoing performance of council against its stated objectives and policies (including formal sign-off of the Annual Report)
- Ensuring prudent use of council resources
- Law-making (bylaws)
- Overseeing council compliance with any relevant Acts of Parliament
- Employing, setting performance requirements for, and monitoring the ongoing performance of the council's Chief Executive. (Under the Local Government Act 2002, the local authority employs the Chief Executive who, in turn, employs all other staff on its behalf – elected members of council have no responsibilities for, and cannot direct, any staff employed by the council other than the Chief Executive.)

Representation and advocacy

- Bringing the views of the community into council decision-making processes
- Being an advocate for community groups and individuals at council meetings
- Balancing the need to advocate for specific interests against the needs of the wider community
- Listening to the concerns of local residents and ratepayers on issues pertaining to the council
- Maintaining contact with community representatives and other local stakeholders
- Participating in any relevant consultative processes with the local community and/or other organisations.

Governance

- Participating constructively and effectively in the good governance of the council as a whole
- Understanding and ensuring that basic principles of good governance are a part of the decision-making approach of the council
- Understanding and respecting the differing roles of Mayor (or Chair for a regional council), Deputy Mayor, committee chairs/portfolio holders and councillors
- Recognising that the governance role does not extend to operational matters or to the management of any implementation
- Having a good understanding of the council processes set out in the Standing Orders that determine how council meetings are run
- Developing and maintaining a working knowledge of council services, management processes, powers, duties and constraints
- Participating in the setting and monitoring of council policies, budgets, strategies and service delivery through annual and long-term planning processes
- Ensuring familiarity with agendas and other council reports before council meetings
- Being familiar with and complying with the statutory requirements of an elected councillor
- Complying with the Code of Conduct adopted by the council
- Identifying, being aware of and declaring any potential personal conflicts of interest, whether of a pecuniary or non-pecuniary nature.

Base community board members – role description

Representation and advocacy

- Representing and acting as an advocate for the interests of their community
- Considering and reporting on all matters referred to them by the council, or any matters of interest or concern to the community board
- Communicating with community organisations and special-interest groups in the community
- Bringing the views of their community to the attention of council
- Listening to the concerns of their community on issues pertaining to the community board

- Maintaining an overview of services provided by the council in the community, and commenting on any services delivered by the parent council
- Maintaining contact with various community representatives and other local stakeholders
- Championing causes which best relate to the interests of their community and campaigning for the improvement of the quality of life in their community.

Governance

- Participating constructively and effectively in the good governance of the community board as a whole
- Understanding and ensuring that basic principles of good governance are a part of the approach of the community board
- Understanding and respecting the differing roles of community board Chair and community board members; the roles of the parent council's Mayor, Deputy Mayor, committee chairs / portfolio holders and councillors; and the very different roles of the managers and staff of the parent council with whom the community board might work
- Recognising that the governance role does not extend to operational matters or to the management of any implementation
- Having a good understanding of the community board processes set out in the Standing Orders that determine how community board meetings are run and how decisions are made
- Developing and maintaining a working knowledge of council services, management processes, powers, duties and constraints
- Ensuring familiarity with agendas and other community board reports before meetings of the community board
- Being familiar with and complying with the statutory requirements of a community board member
- Identifying, being aware of and declaring any potential personal conflicts of interest, whether these are pecuniary or non-pecuniary.

Possible additional responsibilities of community board members:

- Undertaking any other responsibilities that are delegated to them by the council or are prescribed by Order in Council
- Preparing an annual submission to the council for expenditure within the community
- Participating in any relevant consultative processes with the local community and/or other organisations
- Representing the views and position of the community board to external parties, where delegated to do so, and with a clear understanding that only formal community board decisions can commit the community board to any particular course of action (and then only in matters where the community board is delegated to act)

- Participating, as needed, in the setting and monitoring of council policies, budgets, strategies and service delivery through annual and long-term planning processes.

Additional responsibilities of Chairs

- Chairing meetings of the community board
- Representing the community board to a high standard in the areas of activity and business delegated
- Promoting and supporting good governance by the community board
- Developing a clear understanding of the terms of reference of their community board, and of the scope and range of delegations in order to carry out the role of community board Chair
- Ensuring sufficient familiarity with parent council's Standing Orders and procedures that they can chair community board meetings and any other sessions for which they have responsibility
- Undertaking sufficient preparation before the meetings they are chairing to allow them to effectively carry out the role of Chair.
- Ensuring meetings they chair operate within the powers delegated by the parent council as set out in the parent council's Delegation Manual
- Managing the progress of business during meetings, including ensuring adherence to the parent council's Standing Orders and to other statutory obligations and requirements
- Ensuring that all participants in meetings have an opportunity to make an appropriate contribution within the bounds of Standing Orders and due process
- Maintaining and ensuring due order and decorum throughout meetings they chair
- Commenting to the media (or other agencies) as the community board spokesperson, where delegated/authorised to do so, on issues that pertain to the community board
- Liaising with appropriate council staff in respect of the areas of delegated council business for which the community board has responsibility
- Providing leadership to the community board in helping form a consensus that is representative of the community
- Working closely with other members of the community board to ensure smooth community board decision-making
- Keeping abreast of all issues facing the community board.

Appendix C: Review of submissions

1. *The size index, and the role of population versus other factors*

A number of both regional and territorial councils questioned the omission of assets, geographic spread and the effects of fluctuating populations in the calculation of the size index. Many of these same criticisms were levelled against the criteria used under the pool system. In selecting criteria to take into consideration, the Authority believes using standard data that can be externally verified is key. Both 'expenses' and 'population' provide such data and have been found to be key indicators of job size when sample councils have been reviewed. Many of the issues driven by other criteria are more subjective and require value judgments to be made, based on contestable data. Distance travelled by councillors in more geographically spread areas is now addressed in the travel-time component of the travelling expenses policy, and, as a result of submissions, will be improved. The variation in population in tourist areas is recognised by the continued inclusion of expenses in the funding formula. On balance, whilst appreciating the effort that went into submissions, the Authority was not convinced that any additional factors should be developed.

2. *Loadings for unitary councils*

Submissions in this area ran the gamut from no loading to 50%. The Authority remains satisfied that some loading is justifiable and will hold the loading at 12.5% for the coming period. It will, however, ensure that when job sizing and hours of engagement exercises are undertaken in 2015, a specific focus is put on the additional requirements. It will also invite unitary councils to develop, in conjunction with the Authority, sample job descriptions that identify the broader range and level of duties that some submitters suggested existed.

3. *Pool available for additional responsibilities and the process for dealing with them*

In this area there was again a range of views on the Authority's proposal for a pool for additional responsibilities from little support for payments for additional responsibilities to suggestions that the capped amount should be doubled. The Authority appreciates that many councils found comment difficult because councillors' base salary is not yet clear.

This is an area of the Authority's role that has been particularly difficult in the past, given that job titles have told us little about the particular characteristics of additional duties taken on by certain individuals in different areas; and arrangements such as meeting fees have not provided clarity on the remuneration received. Improving clarity about the size of additional duties and additional time commitment taken on by certain representatives will be an aim of the Authority as we deal with recommended payments under the pool for additional duties.

Additionally, a number of submissions raised the issue of District Plan participation by councillors, commenting on both the time commitment required of a small group of councillors and the difficulty of finding people willing to undertake such duties. The Authority has decided to broaden this provision to allow councils to provide some additional remuneration for those sitting on District Plan reviews. Whilst the Authority believes the hearings process is a core role of councils, it acknowledges that this burden falls unevenly across years and councillors, and that in fairness some additional remuneration is justified. It

does not accept the view that those sitting on hearings should be paid at the level prescribed for resource consent hearings, or the argument that 'savings to the council' in reducing the cost of commissioners warrants additional councillor payments. The Authority remains concerned that there could be a perception of self interest in determining the role of councillors in these tasks.

To enable some reimbursement to be made in this area, the Authority will increase the maximum amount available to recognise additional responsibilities from 1 to 1.5 times councillor salaries. As this work fluctuates across time, the Authority expects councils to consider how this work might fall when making its recommendations to the Authority, and to carry forward funds from years when there are no hearings to the year or years in which hearings occur.

For the period from 2013 the Authority will give councils considerable flexibility in establishing how the additional funds are allocated. After the first period an examination will be made in greater depth into patterns of remuneration across the country and specific job specifications and loadings may be developed for 2016.

The Authority has been asked to develop a clear process for reviewing and confirming or denying recommendations. This work will be undertaken, but from the Authority's perspective it has traditionally accepted recommendations that are unanimously supported. The problem for the Authority is split recommendations, where the possibility of political differences driving the proposal cannot be overlooked or where the relativities established are well outside national norms. In those cases strong supporting documentation concerning the reasoning behind any change in the recognition of positions should be provided.

4. Payments to community board chairpersons

Whilst the Authority's proposal for additional payments was generally supported, the level was deemed by some to be too high. The Authority has considered whether it should set these payments, or whether it should indicate a maximum rate and seek the view of the community board concerned. On balance the Authority believes that the level does represent current practice in a number of areas, and that setting the rate fulfils the aim of depoliticising the remuneration of elected officials as much as possible.

5. Meeting fees

Currently only around 10% of councils utilise meeting fees, and of those some use meeting fees as a way of funding participation in District Plan reviews. The Authority does not support using meetings fees as a way of incentivising participation in meetings that are part of the designated duties of councillors, nor does it consider attendance to be the primary indicator of effectiveness. It will not therefore move away from the principle of a fixed annual rate for members which anticipates their regular attendance at scheduled and required meetings. The matter of District Plan reviews is dealt with above.

6. Resource consents

The Authority received a number of submissions on this matter, raising issues that had not been submitted on widely in responses to the first discussion paper.

Many of these submissions discussed the additional requirements for training that councillors undertaking this work face, and the fact that councillors would be remunerated more generously if they performed the same work for another council as a consultant.

The restriction on payment to the time of the actual hearing, rather than remunerating preparation time and procedural direction in addition to the meeting time, was also raised.

Finally, submissions also questioned the Authority's view that councillors should receive remuneration for externally generated resource consent hearings only, and a number of views were expressed on the direction that government policy might take in this area over coming years.

The Authority already approves, in the expenses and allowance policies of many councils, the reimbursement of costs of appropriate training. If training to undertake resource management hearing was included in the description of appropriate training, the Authority would approve such a policy.

The Authority has no view on the 'market rate' for commissioners. It believes that \$80 or \$100 per hour would be deemed an adequate reimbursement by most New Zealanders, and compares very favourably with fees set within the Cabinet Fees Framework.

The Authority has, however, accepted that preparation time for hearings should be reimbursed. It believes the preparation time to be reimbursed should not exceed the time of the actual hearing.

The Authority remains unconvinced by the suggestion that councillors sitting on council-initiated resource consent hearings should receive additional remuneration. The definition currently included in the determination will therefore continue.

7. *Travel and mileage*

Whilst the mileage and travel allowance did not form part of the review, it was commented on by mainly rural authorities. This provision was made more generous last year with a move to recognise travel time in excess of one hour. As a result of submissions and the work undertaken to identify the appropriate base rate for elected members, the Authority has decided to increase the hourly rate for travel from \$15 to \$35. The broader mileage policy will not be amended as the Authority considers it adequately reimburses the additional costs met by elected members. A full advisory paper on this issue will be distributed separately.

8. *Community boards*

A submission was made that the Authority should base community board members' salaries as a fixed proportion of the base councillor salary for the parent council.

We considered that submission very carefully but decided not to use that approach for the following reasons.

1. Analysis of the relativity of current (2012) community board salaries to **average** 2012 councillor salaries showed that there was a wide variation, both between councils and within councils. The ratio ranged from 1% to 44%. Within councils there is as much as a 35 percentage points difference. The ratio of 2012 community board salaries to 2012 base councillor salaries ranged from 1% to 109%. Thus, moving to this method would be a significant disruption to what would appear to be councils' current thinking about the fair relativities between community board members.

2. Of the 28 councils with more than one community board, 40% currently elect to have differing community board salaries within their councils. This reinforces the view that moving to this method would be a significant disruption to what would appear to be councils' current thinking about the fair relativities between community board members.

3. The size of the population served by community boards can vary considerably. The ratio of smallest to largest community board population, within a council, can be as low as 3% (in other words a community board within a particular council has only 3% of the population of the largest community board in the same council). Basing the community board salary as a fixed proportion of the parent council's base councillor salary would, in our view, not be consistent with our responsibility to be fair to individual community board members.

The primary function of community board members is representation. It is therefore reasonable to expect that the time, effort, and expertise required to represent a large number of people would be greater than that for a smaller number of people. Therefore, it is reasonable for the remuneration of members of a community board serving a large population to be greater than that for members of a community board serving a small population.

It follows that community board remuneration somehow linked to the board's population base would result in remuneration being fairer to its members.

Accordingly we have based community board salaries on the community board population. This does not mean that the community board salary is a fixed multiple of its population; rather it means that there is relativity between a community board's population and the remuneration of its elected members.

Appendix D: Descriptions of positions of additional responsibilities

Committee Chair/Portfolio holder

Responsibilities in addition to those of a councillor:

- Chairing meetings of the committees in the areas of council activity and business within their area of responsibility
- Representing the council to a high standard in the areas of council activity and business within their area of responsibility, recognising that conduct in the role of CC/PH reflects on council as a whole
- Promoting and supporting good governance by the council
- Developing a clear understanding of the terms of reference of their committees, and of the scope and range of the specific areas of council activities and business within their area of responsibility to allow them to carry out their role as CC/PH
- Ensuring sufficient familiarity with council Standing Orders and procedures to be able to chair council committee meetings and any other sessions of council for which they have responsibility
- Undertaking sufficient preparation before meetings they are chairing to effectively carry out their role as CC/PH
- Ensuring any meetings they chair act within the powers delegated by the council as set out in the council Delegation Manual
- Managing the progress of business during meetings, including ensuring adherence to the council Code of Conduct, Standing Orders and any other statutory obligations and requirements
- Ensuring that all meeting participants have an opportunity to make an appropriate contribution within the bounds of Standing Orders and due process
- Maintaining and ensuring due order and decorum throughout meetings they chair
- Commenting to the media (or other agencies) as the council spokesperson on issues arising that pertain to their committee or that are on the agenda in the areas of council activity and business within their area of responsibility, but only if delegated to do so by council
- Liaising with appropriate council staff in respect of the areas of council activity and business within the CC/PH area of responsibility
- Providing political leadership in building a political consensus around council issues in the areas of council activity and business that are within their area of responsibility
- Recognising and contributing to issues that cut across specific areas of council activity and business within the CC/PH area of responsibility

- Working closely with other elected members of council to ensure smooth council decision-making
- Keeping abreast of all issues concerning council activity and business within their area of responsibility.

Deputy Mayor

Responsibilities in addition to those of a councillor:

- Supporting the Mayor in his/her role and deputising for him/her in his/her absence
- Keeping abreast of all issues facing council, to allow for relative ease when deputising for the Mayor, should that need arise
- Representing the council to a high standard, recognising that conduct in the role of Deputy Mayor reflects on council as a whole
- Representing the council in a strong, competent and articulate manner in the council area and to any external agencies or groups
- Ensuring sufficient familiarity with council Standing Orders and procedures to be able to deputise competently for the Mayor in chairing council meetings and other sessions of council
- Representing the council in various local, regional and/or national settings, both formal and informal, as appropriate
- Working closely with other elected members of council to ensure smooth council decision-making
- Ensuring sufficient familiarity with the processes and procedures of various civic functions to be able to correctly follow the obligations of such civic functions in the event of deputising for the Mayor, should that need arise.

LOCAL GOVERNMENT ELECTED MEMBERS REMUNERATION FROM ELECTIONS 2013 (EXCLUDING AUCKLAND)

This email is being sent to all Mayors and Chairs of Territorial, Unitary, and Regional councils as well as the Chief Executives of the councils.

Its purpose is to:

- advise of Frequently Asked Questions being posted on the Authority's website,
- advise of processes for the approval of additional remuneration for additional responsibilities, and
- clarify the position where councils have a change in the number of councillors or community board members.

Frequently Asked Questions

A new document has been put on the Authority's website giving answers to frequently asked questions regarding the setting of remuneration for elections 2013, and the process for approval of additional remuneration for community boards and councillors with positions of additional responsibility.

The link to the document is <http://remauthority.govt.nz/documents/faq-local-authority-elected-member-remuneration-setting-2013-exclsAucklandCouncil.pdf>

Approval of Additional Remuneration

The Authority is developing a spreadsheet for councils to fill in to make their recommendations for:

- additional remuneration for councillors with additional positions of responsibility (if any), and
- additional remuneration for community boards with demonstrable additional responsibilities over and above those set out in the Local Government Act.

The link to the spreadsheet and instructions will be advised shortly.

The Authority will not start considering the submissions until it has a significant number of responses. This is to ensure a consistent approach is taken to considering each council's submissions.

We will be asking for all submissions to be with us by Friday 19 July, so that we can get a determination out well before the elections.

Representation Changes

The Authority was aware that some councils may have had a change to the number of elected representatives since 2012.

The calculation of the 2013 raw councillor salaries, 2013 unadjusted community board member salaries, and the level of adjustment to those amounts, were independent of the number of councillors for any one council, or the number of community board members for any one community board.

In deciding on levels of adjustment required to satisfy the Authority's responsibilities towards ratepayers and incumbents, as well as having regard to adverse economic conditions, we looked at overall figures across all councils and community boards. We did not take into account each individual council's, or community board's, change in total remuneration costs.

Therefore, the fact that a council has had a change in number of councillors does not affect the final base councillor salary that we have determined for that council.

Similarly, the fact that a community board has had a change in number of members does not affect the final member salary that we have determined for that community board.

Kind regards

John Errington

Chairman, Remuneration Authority

john.errington@remauthority.govt.nz

+64 4 915 7852

GUIDANCE ON ADDITIONAL 2013 REMUNERATION FOR COUNCILLORS AND COMMUNITY BOARDS

INTRODUCTION

1 The Remuneration Authority has advised councils of their base councillor and base community board salaries for 2013, to apply immediately after the local body elections in October 2013.

2 **All** councils are now required to advise the Remuneration Authority whether they are seeking extra pay for councillor and community board positions/roles of additional responsibility.

3 If councils do not intend to seek extra pay, there is still a requirement to advise the Authority that is the case, by completing several questions in the required template.

4 If councils intend to submit proposals for extra pay, guidance is provided below in paragraphs 12-27 on the information required to complete the template.

5 The Remuneration Authority has received queries on the pre-election timing of proposals on extra pay, as some councils may change positions or roles of additional responsibility after October 2013. The Authority is requesting proposals now, for inclusion in its 2013 Determination to apply after the local body elections, as:

- past experience has demonstrated that the majority of councils do not significantly change their governance structure after the elections
- the Authority believes it is important that candidates are fully informed of the remuneration they will receive if elected
- until the positions or roles of additional responsibility are reflected in the Authority's formal Determination, those holding such positions or roles cannot be paid accordingly
- past experience has also shown there can be considerable delay in confirming remuneration in an election year (until at least the following February) due to the timing of council and community board meetings, closeness of the elections to the Christmas break, and the errors that often require follow-up by the Authority. This can disadvantage those elected members who are dependent on council remuneration as their principal form of income.

6 If any council decided to restructure duties among members immediately after the election it may submit a proposal to the Authority, which can be dealt with by way of an amendment to the Determination.

TEMPLATE FOR COMPLETION

7 The template is an excel workbook, titled "Template Additional Responsibilities for Councillors and Community Boards". The template has been emailed to councils and can also be downloaded from the front page of the Remuneration Authority's website:

<http://remauthority.govt.nz>

8 Please ensure the template is used as it will help to ensure that councils provide accurate and consistent information to assist the Authority with making its decisions.

9 The template comprises two worksheets; one for councillors and one for community boards. Councils should rename the blank template to incorporate their name, e.g. "Council X Template for Councils Seeking Additional 2013 Remuneration". The completed template should then be emailed to:

info@remauthority.govt.nz

10 All responses, including any specific proposals, must be submitted **by email** to the Remuneration Authority by 5.00pm on **Friday 19 July 2013**. Adhering to this timeframe and submitting the information in electronic form will ensure prompt issuing of the Authority's 2013 Determination.

INFORMATION REQUIRED FROM COUNCILS NOT INTENDING TO SUBMIT PROPOSALS FOR EXTRA PAY

11 If councils are not intending to submit any proposals for extra pay, only a limited number of questions need to be answered:

- a) on the councillor worksheet, the question in Q2 as to whether any extra pay is being sought, and
- b) on the community board worksheet:
 - (i) Q2 as to whether the council has any community boards
 - (ii) if the answer to Q2 is yes, then respond to Q3 and Q4 regarding the community board name and chairperson
 - (iii) confirmation in your response to Q5 that no extra pay is being sought.

INFORMATION REQUIRED IN TEMPLATE FROM COUNCILS SUBMITTING PROPOSALS FOR EXTRA PAY

General

12 The template requests specific information that must be provided for *every* councillor position of additional responsibility or community board role of additional responsibility.

13 Some examples have been provided in the attached copy of the template to illustrate the kinds of information and level of detail required. They are not necessarily examples of what the Remuneration Authority would approve. As mentioned further below each proposal is considered on a case by case basis.

14 Please note that the Authority would prefer **not** to receive copies of documents that include the information that is being sought and be told to refer to those documents. The relevant information should be inserted (summarised if appropriate) in the template.

15 Further detailed information is provided in the Remuneration Authority's May 2013 document *Local Authority Elected Member Remuneration Setting 2013 (excluding Auckland Council) - Answers to Frequently Asked Questions*, on both the kinds of additional responsibilities that might be recognised and the levels of extra pay that would be approved.

Information responding to questions 5-15 of that document specifically relate to Councillors. Information responding to questions 18-21 specifically relates to Community Boards. Councils should be familiar with that information before attempting to complete their proposals for extra pay. Some of the key points are summarised below for ease of reference.

Extra Pay for Councillors

16 In addition to their base salary, Councillors can receive extra pay for:

- positions of additional responsibility (including deputy mayor/deputy regional chairperson) and/or
- taking on significantly extra duties during the District Plan process.

17 A council may draw on a pool of funds to provide additional pay for those who take on any of the above positions. A pool equivalent to 1.5 times of one base councillor salary is available to every council. For example, if the base salary for a councillor is \$40,000, then the total pool for that council which could be used for additional pay will be capped at \$60,000.

18 The Remuneration Authority has identified the commonly required roles of deputy mayor/chairperson and committee chairperson/portfolio holder. Anticipated responsibilities for such roles can be found on pages 23-24 of the Authority's April 2013 document *Local Authority Elected Member Remuneration Setting 2013*.

19 There may also be additional positions such as membership of specialist panels, working parties and external bodies. These are likely to vary from council to council. Before approving any additional pay the Authority would expect to see evidence of significant extra workload and/or responsibility required on an ongoing basis to carry out such positions. This could include the need to attend regular additional meetings, or to gain a technical knowledge base for a particular field of expertise.

20 It is expected that:

- additional remuneration for a deputy mayor will not exceed 40% of the base councillor salary, and
- additional remuneration for committee chairpersons or portfolio leaders or other councillor positions of additional responsibility will be between 5% and 25% of the base councillor salary.

21 An example of how the above parameters might work follows.

- Council A has 10 councillors, each starting with a base salary of \$40,000.
- The Council has a total pool of up to \$60,000 (i.e. 1.5 times the base councillor salary) to allocate to some or all of its 10 councillors for positions with extra responsibility.
- The Council wishes to pay its Deputy Mayor an additional \$10,000 for carrying out the responsibilities of that role. That is 25% of the base councillor salary of \$40,000.
- The Council has up to \$50,000 remaining to allocate to its councillors for any positions of additional responsibility.
- The Council wishes to pay three of its councillors an extra \$5,000 each (being 12.5% of the base councillor salary) each to undertake additional responsibilities as chair of a standing committee.

- That leaves the sum of \$35,000 that could be allocated to councillors for undertaking significant extra duties around the District Plan process.

Extra Pay for Community Boards

22 If a community board has additional levels of responsibility, then the Authority may approve extra pay for that board in addition to its base salary. All proposals for extra pay for community boards must come from the relevant council.

23 The additional responsibilities must be to the board as a whole and not to individual members.

24 Councils should note that the Remuneration Authority will not automatically approve extra pay for community boards. Each proposal will be considered on a case by case basis. Evidence will be required to show how any community board is significantly operating above and beyond the role of community boards as outlined in section 52 of the Local Government Act 2002. Factors that the Remuneration Authority will take into account include:

- the implications for overall workload, such as significant additional hours required
- whether the additional responsibility is an ongoing one
- the extent to which the community board's members' 2013 base salary was modified upwards or downwards from its unadjusted 2013 members' salary.

25 The maximum percentage that can be added to the base community board member salary will be 30%. The maximum would only be approved, however, for roles where significant and easily recognisable additional responsibility had been proven.

26 It is not expected that any core council responsibilities would be delegated from a council to its board(s) as that would be seen as reducing the role of the council.

27 Additional pay for community boards cannot be drawn from the pool of 1.5 times the basic councillor salary that can be used for councillor positions of additional responsibility, i.e. it is over and above the maximum amount of the councillor pool.

QUERIES

28 Any queries on completing the attached template can be emailed to:

info@remauthority.govt.nz

Remuneration Authority
29 May 2013

ADDITIONAL COUNCILLOR RESPONSIBILITIES (EXAMPLE)

Note: a new column for each position is required to be completed

	EXAMPLE	EXAMPLE	EXAMPLE
Q1 NAME OF COUNCIL	Council A	Council B	Council C
Q2 IS ANY EXTRA PAY FOR COUNCILLOR POSITIONS OF ADDITIONAL RESPONSIBILITY BEING SOUGHT? YES/NO <i>If "no" then no further information is required</i>	Yes	Yes	No
Q3 POSITION TITLE	Portfolio Leader	Deputy Mayor	
Q4 POSITION DESCRIPTION <i>Specify additional responsibilities over and above the basic councillor role - covering duties, delegations, deputising and reporting obligations</i>	<p>3</p> <p>a) Chair meetings of a Standing Committee.</p> <p>b) Meeting preparation and follow-up: Attend agenda meetings with staff and ensure satisfactory information is under preparation. Ensure media issues have been addressed. After a meeting work with staff to make sure key issues and decisions are clearly communicated to the media and public.</p> <p>c) Policy leadership: provide guidance to the Committee on own portfolio area and strategic direction, make policy recommendations, exercise good financial stewardship. Advocate for portfolio issues, facilitate informal discussions between councillors and between councillors and staff on portfolio matters. Key councillor contact for staff on portfolio matters.</p> <p>d) External representation: represent the council at meetings of pan-Council working groups, and other external organisations and groups. Attend official functions within area of responsibility, and represent the Mayor when the Mayor and Deputy Mayor are unable to attend.</p> <p>e) Communication: Act as the Committee's principal spokesperson in communicating to the media and public the official policy of the Council</p>	<p>1</p> <p>Carries out the following:</p> <p>a) Performs all the responsibilities and duties, and exercises all the powers of the Mayor: i) with the consent of the Mayor at any time during his temporary absence, ii) without the Mayor's consent, at any time while the Mayor is prevented by illness or otherwise from performing his duties, iii) while there is a vacancy in the office of mayor</p> <p>b) Deputises for the Mayor when the latter has competing commitments. Includes chairing meetings of the Council, addressing the media on Council issues, representing the Mayor at civic events, chairing informal meetings of councillors.</p> <p>c) Community leadership through holding meetings with various community groups on topical issues, as requested by the Mayor, and working with those groups and council staff to resolve them.</p> <p>d) Assists the Mayor to work closely with other elected members to ensure smooth council decision-making. Includes being the first point of contact in the Mayor's Office for community board members on any issues. Works with council staff and board members to resolve those issues.</p>	
Q5 DOCUMENTATION <i>Council minutes and formal resolutions that set the additional responsibilities</i>	Council minutes of 22 March 2013 confirm the appointment and describe the role as outlined above.	Council minutes of 10 May 2011 confirm the role of Mayor as set out in a) and b) above. Activities described in c) and d) are carried out at the direction of the Mayor, in support of his workload.	
Q6 VARIATION <i>The extent to which the duties can vary</i>	The duties described under the Position Description are regularly recurring on a monthly basis, partly due to the monthly meeting cycle of the council's committees.	The duties described under the Position Description are regularly recurring on a weekly or monthly basis.	
Q7 BENEFITS TO RATEPAYERS <i>List the benefits to ratepayers in having these additional responsibilities</i>	<p>a) Development of significant knowledge and expertise in holding a portfolio role helps to inform policy formation.</p> <p>a) Having one point of contact for staff and media facilitates more quicker dissemination of information/viewpoints.</p>	That in the absence of the Mayor there is a clearly identifiable person who has the lead for the council's political, policy and community leadership.	
Q8 ADDITIONAL TIME <i>Estimation of extra time involved in carrying out the additional responsibilities</i>	15 hours per month	15 hours per week	
Q9 BASE COUNCILLOR SALARY <i>The 2013 base councillor salary for your council</i>	60,000	47,000	
Q10 RECOMMENDED ADDITIONAL PAY <i>Amount recommended for additional pay</i>	xx	xx	
TOTAL ADDITIONAL COST	xx	xx	

ADDITIONAL COMMUNITY BOARD RESPONSIBILITIES (EXAMPLE)

Note: a) a new column for each additional Community Board role is required to be completed

b) extra pay cannot be sought for individual board members; it must be for the whole board

	EXAMPLE	EXAMPLE	EXAMPLE
Q1 NAME OF COUNCIL	Council X	Council X	Council Y
Q2 NUMBER OF COMMUNITY BOARDS <i>If response is "0" then no further information is required</i>	2	2	1
Q3 NAME OF COMMUNITY BOARD	Community Board 1	Community Board 2	Community Board 1
Q4 COMMUNITY BOARD CHAIR <i>Confirmation the board chairperson is carrying out the additional roles as set out in Appendix B of the Remuneration Authority's April 2013 document "Local Authority Elected Member Remuneration Setting 2013 (excl. Auckland) YES/NO</i>	Yes	Yes	Yes
Q5 IS ANY EXTRA PAY FOR COMMUNITY BOARD ROLES OF ADDITIONAL RESPONSIBILITY BEING SOUGHT? YES/NO <i>If ""no"" then no further information is required"</i>	Yes	No	Yes
Q6 ADDITIONAL ROLE OR RESPONSIBILITY <i>Describe the role and list the additional responsibilities</i>	<p>Extensive delegations to make significant decisions on many of the facilities and services located within the board's ward, as follows:</p> <p>a) all local governance decisions relating to: local transportation; local community grants; airfields; community centres and halls; harbour facilities; cemeteries; local strategic planning; local economic development; parks and reserves ("Local" refers to decisions that do not have an impact on the wider provision of these services beyond the community board area)</p> <p>b) develop proposed budgets for local activities that would generally be approved by Council subject to affordability</p> <p>c) develop proposed fees and charges for adoption by Council.</p> <p>For the avoidance of doubt, community boards have authority to:</p> <p>a) approve all local activity levels of service (LOS)</p> <p>b) develop and approve local activity policies including Reserve Management Plans</p> <p>c) approve project definitions for all local activities</p> <p>d) recommend to council the level of bylaw service and enforcement to be provided within the community.</p>		<p>The Board has been directed by the Council to lead and facilitate consultation with local residents, ratepayers, iwi, community groups and other stakeholders on local issues and local aspects of district issues.</p> <p>This includes consultation on significant issues such as the Council's 10 Year Plan and Annual Plan processes.</p> <p>The Board has also been delegated authority by the Council to develop a Community Board Plan for inclusion in the Council's 10 Year Plan and Annual Plan processes. As a minimum the Community Board Plan will include variations to local service levels, proposed projects, the relative project priorities and the estimated project cost for the community board area. This plan draws on the facilitated consultation referred to above.</p>

Q7 DOCUMENTATION <i>Council minutes of the ceding of those levels of responsibility from council</i>	Council minutes of 9 March 2013 confirm the above delegations and responsibilities	Council minutes of 22 April 2013 confirm the above delegations and responsibilities.
Q8 VARIATION <i>Extent to which the additional responsibilities can vary</i>	The community board is required to exercise these delegations on a regular basis, i.e. during most if not all formal board meetings.	Facilitating consultation on various local issues is constant. Facilitating consultation for input to the Council's Ten-Year Plan tends to peak every three years. Facilitating consultation for input to the Council's Annual Plan process is annual.
Q9 BENEFITS TO RATEPAYERS <i>List the perceived benefits to ratepayers in having the additional role/ responsibilities</i>	Community empowerment by governance decisions being made at the lowest level. More timely decision-making due to no further level of decision-making being required by council	Providing local leadership and developing relationships with the council, community and community organisations in developing local solutions.
Q10 ADDITIONAL TIME <i>Estimated extra time involved in carrying out the extra responsibilities</i>	20%	15%
Q11 SHARING OF RESPONSIBILITIES <i>How the responsibilities are shared amongst the board members</i>	The community board collectively exercises its delegations at formal board meetings.	Consultation can be through regular attendance at community group meetings by individual board members (all board members are assigned to at least one group). Prior to the 10 Year Plan and Annual Plan processes all board members attend workshops and forums with the community to discuss issues of concern/priority. The board chairperson usually chairs these workshops and forums.
Q12 BASE COMMUNITY BOARD SALARY <i>The 2013 base community board salary for this board</i>	15,000	9,800
Q13 RECOMMENDED ADDITIONAL PAY <i>Amount recommended for additional pay per board member</i>	xx	xx

LOCAL AUTHORITY ELECTED MEMBER REMUNERATION SETTING 2013 (EXCLUDING AUCKLAND COUNCIL)

ANSWERS TO FREQUENTLY ASKED QUESTIONS

CONTENTS

1. Introduction
2. Recap of Overall Approach
3. Base Salary and Additional Pay for Councillors
4. Base Salary and Additional Pay for Community Boards
5. Salary for Mayors and Chairpersons of Regional Councils
6. Fees for Resource Consent Hearings
7. Remuneration around the 2013 Election Period
8. Transitional Issues
9. General

1. INTRODUCTION

The Remuneration Authority's new approach to remuneration setting for local authorities (excluding Auckland) has been developed to use for 2013 salaries, to take effect immediately after the 2013 elections. The current Determination will remain in force until the October 2013 local body elections.

The Remuneration Authority has outlined the new approach in full in its April 2013 document *Local Authority Elected Member Remuneration Setting 2013*, circulated to all councils and available on the Authority's website: <http://remauthority.govt.nz/documents/local-authority-elected-member-remuneration-setting-2013.pdf>

The Authority has since written to each council to provide specific information on the base salaries for their elected members to apply from the 2013 elections. The Authority will issue its formal Determination for 2013 remuneration after receiving all proposals from councils on extra pay for positions of additional responsibility.

The information in this paper has been prepared to assist councils with answering questions on the new approach, and to provide guidance on the information required by the Authority to handle approvals of extra pay for positions of additional responsibility. More specific guidance on completing proposals for that extra pay is provided in a separate document.

2. RECAP OF OVERALL APPROACH

The Remuneration Authority has set the base salaries for all elected members of local authorities including community boards. This is a significant change from the old system, where the Authority set a total remuneration pool but individual councils had significant input to how the pool was distributed among councillors and community boards.

To establish the base salaries the Remuneration Authority has:

- a) Undertaken a job-sizing exercise with a cross section of sample councils (for example unitary/territorial/regional, urban/rural, north/south). This exercise included a survey and assessment of the hours required for governance and representative activity.
- b) Developed a size index for each council. This is a measure of the relative size and complexity of each council's business.

Salaries for mayors and chairpersons of regional councils are based on the job sizing exercise and the council's size index.

A base councillor salary has been set for each council, based on the job sizing exercise and the council's size index. Extra pay for councillors with additional responsibilities is set based on proposals from councils, with a cap for each council on the total additional remuneration that can be paid.

Community board members' salaries are based on the population base for their community and a basic job description. Extra pay for community boards with additional responsibilities is set based on proposals from councils, with a cap for each board on the total additional remuneration that can be paid.

Meeting fees will no longer be available.

Q1 How is a size index compiled?

A size index is made up of a range of statistics, with weight assigned to each. The data used was:

- the population served by the council and
- the council's expenditure.

The Authority believes using standard data that can be externally verified is important. Both "expenses" and "population" provide such data and have been found to be key indicators of job size when sample councils have been reviewed.

Every year the Remuneration Authority will recalculate each size index using the latest available statistics on population and expenditure.

Every three years the types of statistics needed for size indices will be reassessed by the Authority prior to local body elections. A relationship is developed between a council's size index and salary based on job sizing, and the survey on hours of governance and representation.

Q2 Why doesn't the size index include data on:**a) assets?**

Assets are so closely correlated with expenditure that they have not been included as an indicator.

b) geographic spread?

Distance travelled by councillors in more geographically spread areas is now addressed in the travel-time component of the travelling expenses policy. This has been increased from \$15 to \$35 per hour.

c) the effects of fluctuating populations in tourist or holiday home areas?

To a large extent the variation in population in tourist areas is recognised by the inclusion of council expenditure in setting size indices.

Q3 How are different elected member positions job-sized?

The Authority uses the Hay Group system of job evaluation to size positions. Every three years (the year prior to an election year) the job sizes of councillors, mayors and chairs in sample councils will be assessed.

Q4 Why are meeting fees no longer possible?

The Remuneration Authority considers that an elected member's role is more than attending meetings, and believes that idea should be reinforced by the remuneration approach.

3. BASE SALARY AND ADDITIONAL PAY FOR COUNCILLORS**Q5 How is a councillor's salary calculated?**

A base councillor salary is set for each council based on the job sizing exercise and the size index for the council.

Councillors can also receive extra pay for:

- positions of additional responsibility (including deputy mayor/deputy chairperson) and
- taking on significantly extra duties during the District Plan process.

A council may draw on a pool of funds to provide additional pay for those who take on any of the above positions. A pool equivalent to 1.5 times of one base councillor salary is available to every council. For example, if the base salary for a councillor is \$40,000, then the total pool for that council which could be used for additional pay will be capped at \$60,000.

Proposals for expenditure from this pool must be submitted to, and approved by, the Remuneration Authority. Specific guidance on preparing proposals will be provided by the Authority in a separate document. The Authority must receive all proposals from councils before its 2013 Determination can be issued.

Q6 What kinds of councillor positions of additional responsibility can be recognised?

The Remuneration Authority has identified the commonly required roles of deputy mayor/chairperson and committee chairperson/portfolio holder. Anticipated responsibilities for such roles can be found on pages 23-24 of the Authority's April 2013 document *Local Authority Elected Member Remuneration Setting 2013*.

There may also be additional positions such as membership of specialist panels, working parties and external bodies. These are likely to vary from council to council. Before approving any additional pay the Authority would expect to see evidence of significant extra workload and/or responsibility required on an ongoing basis to carry out such positions. This could include the need to attend regular additional meetings, or to gain a technical knowledge base for a particular field of expertise.

Q7 Is there a limit to what an individual councillor can receive for positions of additional responsibility?

It is expected that:

- additional remuneration for a deputy mayor will not exceed 40% of the base councillor salary, and
- additional remuneration for committee chairpersons or portfolio leaders or other councillor positions of additional responsibility will be between 5% and 25% of the base councillor salary.

An example of how the above parameters might work follows.

- Council A has 10 councillors, each starting with a base salary of \$40,000.
- The Council has a total pool of up to \$60,000 (i.e. 1.5 times the base councillor salary) to allocate to some or all of its 10 councillors for positions with extra responsibility.
- The Council wishes to pay its Deputy Mayor an additional \$10,000 for carrying out the responsibilities of that role. That is 25% of the base councillor salary of \$40,000.
- The Council has up to \$50,000 remaining to allocate to its councillors for any positions of additional responsibility.
- The Council wishes to pay three of its councillors an extra \$5,000 each to undertake additional responsibilities as chair of a standing committee.
- That leaves the sum of \$35,000 that could be allocated to councillors for undertaking significant extra duties around the District Plan process.

Where a councillor is also appointed as a member or chair of a community board, the Remuneration Authority will not approve any extra pay for carrying out that role. The Authority is not convinced that any extra pay for such appointments does not raise anomalous situations for other councillors who may, for example, attend residents association meetings without additional pay.

Q8 Are councils expected to allocate and spend the total pool available for additional councillor pay each year? Can any unspent funds be carried over?

A council is not required to distribute its entire pool. Any unspent funds cannot, however, be carried over to the next financial year, with the exception of funds for additional duties to support the District Plan process. Prior approval for that carryover must be sought from the Remuneration Authority.

The exception of the District Plan process recognises the lengthy and often intermittent nature of that process. Councillors' work around the District Plan can fall unevenly across years. Given that fluctuation, the Authority expects councils to consider how this work might fall when making their proposals.

Q9 If the pool set aside for duties relating to the District Plan process is not fully spent, can the remainder be reallocated to councillors to top up their base salary?

No.

Q10 Can councils make a request for an increase in the size of the pool for additional councillor responsibilities if, in the course of the year, it appears that it is not sufficient to meet needs?

No.

Q11 What about when unforeseen circumstances arise, such as the need for a councillor to undertake duties for a period of time as acting mayor/regional chairperson, or acting committee chairperson?

Additional pay may be considered for such duties in exceptional circumstances, for example extended illness or extended holiday by the usual incumbent. A council would need to seek approval from the Remuneration Authority and provide a clear rationale for such payment. It is expected that funds for these acting duties would be sourced from savings made by adjusting the salary of the usual incumbent in the role, to reflect their decreased responsibility. This adjustment would comprise the difference, or a proportion of the difference, between a councillor's base salary and the additional component for the additional responsibility.

Q12 Does a council have to submit proposals for extra pay for those in positions of additional responsibility?

A council is required to submit proposals if it wishes to allocate some or all of its pool for positions of additional responsibility.

A council does not have to set extra pay for additional responsibilities if it chooses to operate with a flat structure. It can set only one additional payment, for example for the deputy mayor/deputy regional chairperson. Your proposal must be submitted to the Remuneration Authority regardless of the amount recommended.

Q13 Will councillors undertaking resource consent hearings under the Resource Management Act still be entitled to additional fees for that work?

Yes. Refer to the questions and answers under section 6.

Q14 Following our council's representation review, the number of councillors has reduced. Does this automatically reduce the remuneration levels available for the council?

Changes in councillor numbers will not affect the base councillor salary level for each councillor, or the size of the pool available for councillor positions of additional responsibility. The only impact of a reduction in councillors would be a reduction in the total remuneration costs for the council, with fewer councillors receiving the base councillor salary.

4. BASE SALARY AND ADDITIONAL PAY FOR COMMUNITY BOARDS

Q15 How is a community board member's salary calculated?

A base community board salary is set for each community board, based on the population the community board serves and a basic job description. The base salary assumes that each member of that board has similar basic responsibilities. These are set out on pages 16-18 of the Remuneration Authority's April 2013 document *Local Authority Elected Member Remuneration Setting 2013 (excluding Auckland Council)*.

If a community board has additional levels of responsibility, then the Authority may approve additional pay for that board after receiving proposals from councils.

Additional pay for community boards cannot be drawn from the pool of 1.5 times the basic councillor salary that can be used for councillor positions of additional responsibility, i.e. it is over and above the maximum amount of the councillor pool.

Q16 Why is only population data considered for the community boards' base salary? Why isn't a council's size index, used for the remuneration of mayors/regional chairpersons and councillors, also considered for the community boards?

The primary function of community boards is representation. It is therefore reasonable to expect that the time, effort and expertise required to represent a large number of people would be greater than that for a smaller number of people. Therefore it is reasonable for the remuneration of members of a community board serving a large population to be greater than that for members of a community board serving a small population.

It follows that community board remuneration linked to the board's population base would result in remuneration being fairer to its members.

Therefore community board salaries have been based on the community board population. This does not mean that the community board salary is a fixed multiple of its population; rather it means that there is relativity between a community board's population and the remuneration of its elected members.

Q17 What population data is used for calculating the base salary for community boards?

The Remuneration Authority draws on annual population estimates provided by Statistics New Zealand.

Q18 What kinds of community board roles of additional responsibility can be recognised?

Firstly it is important to note that the additional responsibilities must be to the board as a whole and not to individual members.

Councils should note that the Remuneration Authority will not automatically approve extra pay for community boards. Each proposal will be considered on a case by case basis. Evidence will be required to show how any community board is significantly operating above and beyond the role of community boards as outlined in section 52 of the Local Government Act 2002. Factors that the Remuneration Authority will take into account include:

- the implications for overall workload, such as significant additional hours required
- whether the additional responsibility is an ongoing one
- the extent to which the community board's members' 2013 base salary was modified upwards or downwards from its unadjusted 2013 members' salary.

It is not expected that any core council responsibilities would be delegated from a council to its board(s) as that would be seen as reducing the role of the council.

For those community boards that serve areas with fluctuating populations in tourist or holiday areas, the Authority would need evidence that those populations created significantly increased responsibilities and workload for community boards.

Q19 What extra pay can a community board receive for roles of additional responsibility?

The maximum percentage that can be added to the base community board member salary will be 30%. The maximum would only be approved, however, for roles where significant additional responsibility had been proven.

Q20 How is the remuneration of a chairperson of a community board calculated?

The remuneration of an elected chairperson will be twice the salary of a community board member (including additional pay for that board's members, if any). Confirmation that the chairperson will carry out the additional roles for that role, as described on page 18 of the Remuneration Authority's April 2013 document *Local Authority Elected Member Remuneration Setting 2013 (excluding Auckland Council)*, is required.

An example of how additional pay might be approved for a community board follows.

- Community Board A has a base salary of \$7,000 for each board member. The maximum additional pay for each board member, except the board chair, would be \$2,100.
- Extra pay of \$1,500 each has been approved by the Remuneration Authority for Community Board A's additional roles of responsibility. All board members, except the board chair, would each receive total remuneration of \$8,500.
- The board chair would receive total remuneration of \$17,000.

Q21 Does a deputy chairperson of a community board receive additional pay for carrying out duties as deputy?

No. The deputy chairperson is remunerated as a board member. They will be able to receive additional pay for any additional role of responsibility that the board might collectively have.

5. SALARY FOR MAYORS/CHAIRPERSONS OF REGIONAL COUNCILS**Q22 How are salaries for mayors and chairpersons of regional councils calculated?**

The salaries for mayors and chairpersons are based on the job sizing exercise and the size index for their council.

No additional remuneration can be provided above these salaries, with the exception of fees for resource consent hearings in exceptional circumstances (see response to question 27).

Q23 Are there any changes to arrangements for mayoral/regional chairpersons' cars?

The method for reducing the mayor/chairpersons' remuneration to reflect private usage of a council provided car remains unchanged i.e. value x 47% x 20%.

The Authority will continue to need to be informed whenever a mayor's or chairperson's car changes, or private usage of that car changes. Details of the new car's cost and details of any changed private usage will need to be provided before the next annual Determination.

The Authority will not, however, adjust the mayor's or chairperson's salary unless, in the Authority's opinion, the change in car or private use is significant enough to warrant a change. Changing a car for a later similar model and make would not normally trigger a salary change.

6. FEES FOR RESOURCE CONSENT HEARINGS

Q24 Will councillors undertaking resource consent hearings under the Resource Management Act still be entitled to additional fees for that work?

Yes. Hearings fees for non-council initiated resource consent hearings will continue to form part of the Remuneration Authority's Determination. The hourly rate will be reviewed each year.

Q25 Will councillors undertaking hearings under the Resource Management Act be paid for preparation time? If so, how is that to be calculated?

Yes. This is a change from the previous system.

Preparation time to be reimbursed should not exceed the time of the actual hearing. For example, if a hearing last for three hours then no more than three hours of preparation time may be paid for.

Preparation time may include time for reading, attending onsite meetings, or attending pre-hearing briefings/meetings.

Reimbursement will be at the same rates as those for actual hearings time, as set out in the Remuneration Authority's Determination.

Q26 If the chair of a council's Hearings Committee undertakes resource consent hearings and is paid additional fees for that, is he/she also entitled to receive an additional sum as the chair of the Hearing Committee from the fund for positions of additional responsibility?

Yes. Payment of fees for resource consent hearings is treated separately from payment for positions of additional responsibility. (Note also there is no cap on the payment of fees for resource consent hearings, while there is a cap on payment for positions of additional responsibility).

Q27 Are mayors and regional chairpersons able to receive fees for participating in resource consent hearings?

Generally no. The Remuneration Authority will not approve fees for full time or close to full time mayors/regional chairpersons. Fees might be considered in exceptional circumstances for part time mayors/regional chairpersons if a new council largely comprises inexperienced councillors, or if there is a significant hearing of a lengthy duration. In such circumstances no fees should be paid without seeking prior approval from the Authority.

7. REMUNERATION DURING THE 2013 ELECTION PERIOD

Q28 What happens to elected member remuneration during the October 2013 council elections period?

The remuneration set out in the 2012 Determination will continue to apply until new or re-elected members come into office on either:

- a) the day of the election, in the case of an uncontested election, or
- b) the day after the day of the official public notification of a council's election results, in the case of a contested election.

Remuneration for members not re-standing for election will cease on the day when members elected come into office.

The above timeframes are consistent with the current provisions of the Local Electoral Act 2001. They will be realigned if the Local Electoral Amendment Bill (No 2)'s provisions around these timeframes are enacted. That Bill is currently open for submissions.

Councillors or community board members receiving additional pay to reflect extra responsibilities will be paid at their base salary rate until appointed to the positions or roles that include those responsibilities. Their additional pay will apply from the date of their appointment. The Remuneration Authority does not need to be informed of the appointment of individuals to positions or roles of additional responsibility that have previously been approved by the Authority for funding.

No further Determination will be issued until 1 July 2014 unless in the meantime:

- a council seeks to amend any levels of extra pay previously approved for additional councillor or community board responsibilities and/or
- a council makes changes to its governance structure and seeks to make changes to councillor positions or community roles with additional responsibilities, with consequent changes to the allocation of the fund for extra pay.

Q29 Why are we being asked to submit proposals to the Authority now on additional pay for positions of additional responsibility, when they may change after the elections?

It is important that candidates are fully informed of the remuneration they will receive if elected. Some councils can take considerable time to reassess and implement any changes to their governance structures. The Remuneration Authority recognises there could be some changes after the elections but past experience indicates these are not likely to be significant.

Where councils do reallocate duties among members after the election they may apply to the Authority to vary the way the additional pool of funding is allocated.

8. TRANSITIONAL ISSUES

Q30 Can a council carry over any unspent meeting fees from the old system through to after the 2013 election?

No.

Q31 Why has the base salary for councillors and/or community boards in some areas increased a lot for 2013 and others only a little? Why has the base salary in some areas decreased?

Individual letters have been sent by the Authority to the mayors and chairpersons of each council, giving more details of the extent to which increases or decreases for their council have been limited, as well as indicating reasons for the new base salaries being different from 2012.

These increases or decreases have been due to a range of factors. For councillors, some of those main factors have been:

- whether or not all or part of community board salaries had been met from the 2012 remuneration pool
- whether a council had meeting fees, and the extent to which they were evenly spread amongst all councillors
- whether a council had a different number of councillors from similar-sized councils.

Some of the main factors leading to increases or decreases in community board salaries have been:

- whether a council had taken into account the relative population size when setting community board salaries
- the relativities between councils of community board salaries for similar sized populations.

Q32 Why has the Authority moderated for 2013 any large increases or decreases that the new approach has indicated? When will the levels of pay that the Authority says it would like to see be fully implemented? What guarantee is there that these levels will ever be reached?

Where the change in base councillor salary was significantly large, the Authority considered it best to limit the change to what it considered acceptable amounts. This is because the Authority is required to be fair to both job holders and ratepayers, as well as to take into account adverse economic conditions. Large increases could be regarded as having an adverse impact on ratepayers' costs and could be regarded as denigrating the position for retiring councillors. Large decreases could have an adverse impact on councillors standing for re-election and could be regarded as denigrating the position for new councillors. A similar approach was taken for community boards.

The Authority has therefore moderated large increases or decreases. Each council has been advised of the nature of the moderation that was applied and has also been advised that a further full review will be undertaken in 2015/2016 prior to the next local body elections. In 2015/2016 the Authority will consider the appropriate level of remuneration for local government elected members against the criteria in the Remuneration Authority Act. It is not possible to indicate now the outcome of that consideration. All the material and information considered during the current review will be available to the Authority in 2015/2016.

9. GENERAL

Q33 What was the range of increases for the 2013 remuneration?

As stated in the Remuneration Authority's April 2013 document *Local Authority Elected Member Remuneration Setting 2013*, the changes to base councillor salaries ranged from – \$17,500 to +\$16,200 before moderation. After moderation the changes ranged from – \$4,600 to +\$10,600.

Q34 What if council proposals for additional pay are not unanimous recommendations?

The Authority has traditionally accepted proposals that are unanimously supported. For split recommendations the Authority cannot overlook the possibility of political differences driving the proposal, or where the relativities established are well outside national norms. In those cases strong supporting documentation concerning the reasoning behind any change in the recognition of positions should be provided.

Q35 Are there any changes to current arrangements for the reimbursement of expenses, the mileage allowance, and the communications allowance?

Prior to the 2013 council elections, and every three years thereafter, the Remuneration Authority will reassess rates, thresholds, caps, and conditions for travel-time allowances, mileage allowances, communication allowances, and resource consent hearings.

As detailed decisions are made on these matters for 2013, further information will be placed on the Authority's website and distributed to councils. The Authority has already advised councils in its April 2013 document *Local Authority Elected Member Remuneration Setting 2013* that the maximum hourly rate for travel time will be increased to \$35 after the 2013 elections. The maximum mileage allowance will also be increased to 77 cents per kilometre for the first 5,000 kilometres, and increased to 37 cents per kilometre for distances greater than 5,000 kilometres.

Q36 What is the Remuneration Authority trying to achieve with this new system?

The Authority is confident that the new approach will see a more equitable distribution of income for elected members.

The Authority believes that it is important to recognise that the remuneration for local government positions, as for many public sector positions, is not set at a market rate. The Authority acknowledges that those putting themselves forward for such positions are principally driven by a commitment to their local community and therefore remuneration will continue to be set at modest levels.

The Authority intends to carry out an annual engagement with local government representatives to exchange views on remuneration setting.

Q37 What will happen after 2013?

In future the Authority will look in the year prior to local government elections at all the key components of remuneration. The relationship between councils' size indices and base councillor salaries, along with mayoral/chair remuneration, will be determined every three years, having regard to the job size of the positions of councillor, mayor and chair (as

assessed for sample councils by Hay Group). Regard will also be given to the proportion of full-time work applicable to the councils (as determined by survey results), and Remuneration Authority pay scales.

In the two mid term years, the next being 2014 and 2015, the Authority will review amounts of remuneration, taking into consideration any changes in council size indices and any general remuneration increase. No base councillor remuneration will decrease as a result of their recalculation. The Authority will apply any changes automatically to the remuneration levels set in the Determination.

FOR FURTHER INFORMATION

More detailed guidance for councils preparing proposals for extra pay for positions of additional responsibility will be provided shortly by the Remuneration Authority. This will include a template that all councils are required to use for submitting proposals.

Any further queries on 2013 remuneration matters should be emailed to:

info@remauthority.govt.nz

Remuneration Authority
22 May 2013

May 2013

Wellington City Council: Elected Member Remuneration from Elections 2013
Comparative Summary

Councillors

Position	Status Quo		Option A		Option B – Recommended Option		Option C	
	Annual Salary	% on top of base salary (for comparison purposes)	Proposed Total Annual Salary	% on top of base salary	Proposed Total Annual Salary	% on top of base salary	Proposed Annual Salary	% on top of base salary
Mayor	\$161,600		\$158,300		\$158,300		\$158,300	
Deputy Mayor	\$97,430	47.787%	\$107,240	40%	\$99,580	30%	\$95,750	25%
Chair, Strategy & Policy Committee	\$90,325	37.009%	\$95,750	25%	\$91,920	20%	\$88,090	15%
Chair, Regulatory Processes Committee	\$85,220	29.266%	\$91,920	20%	\$88,090	15%	\$84,260	10%
Chair, Grants Subcommittee (and portfolio leader)	\$85,220	29.266%	\$91,920	20%	\$88,090	15%	\$84,260	10%
Portfolio Leaders (x9)	\$80,300 x9 = \$722,700	21.803%	\$80,004 x9 = \$720,036	5%	\$82,557.77 x9 = \$743019.93	7.77%	\$84,260 x9 = \$758,340	10%
Councillor (x1)	\$65,926		\$76,600		\$76,600		\$76,600	
Pool for Additional Responsibilities	\$223,857		\$114,900		\$114,900		\$114,900	
Max Pool			\$114900		\$114900		\$114900	

Community board salaries

Position	Annual Salary 2012-13	Annual Salary 2013-14 after the 2013 elections	Annual Salary 2013-14 with additional responsibility – 15%
Chair, Tawa community board	\$21,165	\$17,000	N/A
Member, Tawa community board (*x 5)	\$42,325 (*8,465 each)	\$42,500(*8,500 each)	N/A
Chair, Makara/Ohariu community board	\$13,550	\$9,000	\$10,350
Member, Makara/Ohariu community board (*x 5)	\$26,475(*5,295 each)	\$22,500(*4,500 each)	\$25875(*\$5,175 each)

APPENDIX 4

Submission on additional 2013 remuneration for Makara/Ohariu Community Board, Wellington City Council

1. The Board chair is carrying out the additional roles as set out in Appendix 8 of the Remuneration Authority's April 2013 document.
2. Extra pay for community board roles is being sought.
3. The Makara/Ohariu Community Board is the only rural Community Board in the Wellington area, and the area involved is 65% of Wellington City's total land area.

The Board represents both the Makara and Ohariu residents with advice to the WCC on rural subdivision, submissions on council policy and plans providing a rural view, building and resource consents, roading, traffic, rural fire, emergency management, civil defence, pest control, a large coastal environment and many other matters.

The Board has two major industrial wind farms in its environs, the Meridian West Wind Farm which has now been in full operation for just over three years,(2 years in construction before that) and the Meridian Mill Creek Wind Farm, which is currently being constructed (expected to take 30 months). This has involved a substantial increase in the workload of the members of the board, and the chair as they have all had to deal with concerned residents, attend meetings, answer enquiries and complaints, attend liaison meetings and handle submissions on behalf of members of the community. Both of these windfarm developments appear on the agenda item each month. This has taken the work of this board well beyond what could be considered a normal work load for a community board servicing a rural community.

The Chair represents the Board on the West Wind Community Liaison Group, to assist the Makara Community, the WCC and Meridian reach agreement on various issues, meetings have been reduced to two per year, however, other discussions and meetings are ongoing, particularly where complaints from residents are concerned. This Liaison Group is expected to continue for the foreseeable future. The Chair also represents the Board on the West wind Community Fund, which provides funds from Meridian to assist in local projects. Again, meetings are twice per year, but many discussions also occur between the representatives prior to, and after the meetings.

A Board member is also on the Mill Creek Liaison Group, during the construction period, which has met initially once a fortnight, now monthly, and over time, will become two monthly, etc. This will also continue into the future, certainly for the next 5/6 years. A Mill Creek Community Fund will also be established, which will require Board presence.

The Board members are also involved in other small groups within Makara and Ohariu, such as a restoration group, women's guild, community hall committees, and civil defence operation.

These duties all add considerable responsibilities to the people involved, and also to the Board in general, and while our population may be small, this fact means nothing in terms of the effort required.

APPENDIX 4

4. The Board has been ceded the responsibility by the WCC, to provide leadership in a large rural area, which relates closely to metropolitan Wellington, but is also impacted by it. Protecting this environment is very important, for residents, for Wellington and for visitors. Makara and Ohariu provide many recreational facilities for the greater Wellington region, and this means the Board is actively involved in ensuring those facilities are preserved, maintained and enhanced for the good of the wider Wellington community.
5. The Board members are required to report back to the Board, and to the WCC on a monthly basis on their ongoing responsibilities. If further assistance is required, by either Board Members or the WCC, it can be sought.
6. The benefit to ratepayers of Makara and Ohariu, is that decisions are made at a local level, by those who know the area, rather than by someone who has little knowledge or awareness of the varying aspects of living in a rural environment. It also provides a vent for the community to express their views, and thereby also provides a buffer between the council and the general community.
7. The additional work of the Board relating to the two wind farms has already been referred to. The time involved is difficult to quantify, however it would involve the members of the board and chair in at least 15 to 20% of board time over and above what could be regarded as time spent on “normal” matters.
8. Responsibilities are shared between Board members at meetings.
9. The proposed new 2013 Board salaries for members is \$4500 and for the Chair \$9000. This is a per annum drop in current salary of \$795(15%) and \$4500 (33%) respectively for the forthcoming triennium. The Board believes that this does not fairly reflect the increased responsibility which it has been required to assume in the past, and which will continue into the future with the commercial wind farm developments.

The Board also makes the point that the salary fixed for the Chair for the previous and current trienniums was set as a reflection of the increased responsibilities required as a consequence of the West Wind development. It is pointed out that that the Mill Creek development is in construction, while the Board continues to be involved with issues arising from the West wind Development.

10. The Board recommends, while acknowledging the current financial climate, that the salaries for the members and chair be either maintained at current levels, as clearly in the past that level of remuneration has been deemed to reflect the level of increased responsibility for this Community Board, or at least increase the base salary to 15%, with possible further consideration for the Chair.

Christine Grace
Chair - Makara/Ohariu Community Board.