



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.