

Report No.	19-112
Decision Required	

MEMBERS REMUNERATION 2019-20

1. PURPOSE

- 1.1. This item presents for Council adoption, the recommended levels of remuneration for elected Members for 2019-20.

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-112 and Annexes.
- b. endorses, with or without amendment, the Remuneration Policy outlined at Annex A;

3. FINANCIAL IMPACT

- 3.1. The proposed increase in Members' salaries has been allowed for in the Long-term Plan 2018-28.

4. COMMUNITY ENGAGEMENT

- 4.1. Members' remuneration was part of the Long-term Plan consultation process.

5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk associated with details in this report.

6. BACKGROUND

- 6.1. The Remuneration Authority (RA) sets remuneration for the Chair, and also for elected members of Council. Specifically, the RA sets base salaries for these positions and makes provision for a 'pool' to provide for additional pay for members who take on additional responsibilities, such as chairing a committee. There is no provision within this model for meeting fees.
- a. The approach to setting remuneration for local authority elected members, has the following features.
 - b. The RA sets base salaries for elected members of regional and territorial authorities and for community boards.
 - c. 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 2.0 times the base councillor salary.
 - d. A measure of the relative size and complexity of each council's business activities, called the 'size index' is developed.
 - e. Salaries of mayors and chairpersons of regional councils are based on the size index for the council.
 - f. A base councillor salary is set for each council, based on the size index for the council.

- g. 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.

7. COMMENT

- 7.1. The RA has completed a review of determining the remuneration of Local Government elected members. A copy of its Information Paper is available on www.remauthority.govt.nz and has been made electronically available for Members. The changes will be delivered in three distinct periods:
- 1 July 2018 to 30 June 2019 (already completed)
 - 1 July 2019 to Election Day (12 October 2019)
 - Post Election
- 7.2. There was an amendment to the salaries from 1 July 2018 to 30 June 2019 in line with RA's policy. On 1 July 2019 there was another adjustment. After the elections, it proposes to make the remainder of the changes.
- 7.3. The RA has advised Council that its 2019 base salaries for the Chair and Councillors are \$129,749 (after deduction for the private use of vehicle) and \$47,761 respectively, which applied from 1 July 2019. The determination for the period from 1 July 2019 will remain in place until after the day after the date on which the official result of the 2019 Local Election is declared.
- 7.4. For the current period the Council has already resolved the weighting structure so the new salaries have been applied to this weighting. The Remuneration Policy has been updated accordingly and is attached for your information at Annex A. These salaries will be backdated to 1 July 2019.
- 7.5. The new Council which takes office following the 2019 Election, will have the opportunity at the Inaugural Council meeting to discuss and recommend the allocated pool amount that the RA has determined is available to pay Councillor remuneration per annum. The recommendations will include a rate for base councillor remuneration and rates for all positions of responsibility. The RA will then consider the councils' recommendations before determining the remuneration payable to members.
- 7.6. Attached at Annex B is the Determination relating to regional councils.

8. DISCUSSION

- 8.1. There are changes to the current period and to the upcoming period. Changes in the current period relate not only to the remuneration, but also to the mileage allowance when Councillors use their own vehicle for Council business. This is explained more fully in a separate report to the August Strategy & Policy agenda, Report No. 19-111.
- 8.2. The RA has advised that if incoming councils change structures or other remuneration arrangements, these can be submitted to the Authority for approval.

9. SIGNIFICANCE

- 9.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Craig Grant

GROUP MANAGER CORPORATE AND GOVERNANCE

ANNEXES

- A 2019-20 Remuneration Policy
- B LG Members Determination 2019-20 MWRC Region