

REPORT OF THE COUNCIL SECRETARY

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. NEW ELECTED MEMBERS' REMUNERATION PACKAGE

Officer responsible Council Secretary	Author Max Robertson, DDI 371-1533
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The purpose of this report is to briefly describe the main features of the Higher Salaries Commission's discussion paper on the proposed new elected members' remuneration package, and to seek approval for the proposals to be reviewed by the Legislation Subcommittee, for a subsequent report to the 23 May Council meeting, via the Strategy and Finance Committee.

MAIN PROVISIONS OF HIGHER SALARIES COMMISSION DISCUSSION PAPER

The Commission proposes significant changes to the present payments regime. In short, the changes proposed are:

- What the Commission proposes to do is determine the total amount that each local authority will spend on remunerating its elected members (referred to here as "the pool") and determine rules for the reimbursement of expenses. The Commission would also determine salaries for Mayors and Regional Council chairs, which would be included in the "pool".
- Local authorities would then have the choice of using one of two standard models for dividing up the pool (one based on a salary alone, and the other based on salary plus meeting allowance), or a local authority may devise its own method (subject to approval from the Commission).
- The Commission has developed a formula for determining the size of the pool which is based on four factors; population, operating expenditure, assets, and land area. This formula is then used to calculate a number of "points" from which the total remuneration pool is calculated.
- Any determination would set salaries for Mayors and Regional Council chairs. Councils cannot change those. Under the Local Government Remuneration Act a Mayor of Councillor **cannot** refuse a salary.
- The Commission will determine rules for reimbursement of expenses incurred while acting as an elected member. Expenses are not a part of the pool. The list is considerably wider than that which is permitted under the current legislation.
- It appears the current law on the provision of cars to Mayors/Chairs would continue ie at the moment elected members are only entitled to private use of a motor vehicle where it is "incidental" to their duties. The Commission awaits submissions on this.
- The tax status of elected members is determined by Inland Revenue and would be unaffected by the proposal (although the Commission does intend to have discussions with IRD). Those councils that have particular views on the treatment of elected members as "self-employed" for tax purposes should include them with their submission.

THE SUBMISSION PROCESS

The proposal is open to written submissions from individual councils, elected members and any other interested party, including members of the public. Submissions close on **31 May 2002**. The Commission will then decide whether or not to hear oral submissions, and if so the times and places when it will do so. The Commission wants to issue a determination as soon as possible after the start of the new financial year on 1 July 2002.

The proposals in the discussion paper are quite complex, and could have significant implications for any or all of the following:

- Community board membership and delegations.
- Council committee structures, delegations and meeting frequency.
- The composition of quasi-judicial bodies (eg hearings committees) and boards of council-controlled organisations.

24. 4. 2002

1 Cont'd

A briefing seminar has been arranged in the Council Chamber from 1pm to 3pm on Friday 26 April, to allow elected members to express their views on the HSC's proposals. To allow this Council's submissions to be finalised and lodged prior to the 31 May deadline, it is suggested that the discussion paper be referred to the Council's Legislation Subcommittee, for a subsequent report to the 23 May Council meeting via the Strategy and Finance Committee. The Legislation Subcommittee has previously had a significant involvement in this issue, having finalised this Council's earlier submissions on a discussion document issued by the Department of Internal Affairs in 1999. The Subcommittee will also have the benefit of the views expressed by individual members at the 26 April briefing seminar, prior to completion of its report to the May Council meeting.

- Recommendation:**
1. That the Legislation Subcommittee prepare draft submissions on the discussion document, following consideration of a report by officers on the effect of the proposals insofar as the Christchurch City Council is concerned, and taking into account the views expressed at the elected member briefing seminar on 26 April 2002.
 2. That the Legislation Subcommittee's report and the draft submissions then be referred for final approval to the 23 May 2002 Council meeting, via the May meeting of the Strategy and Finance Committee.

CONSIDERED THIS 24TH DAY OF APRIL 2002

MAYOR