

## 1. HIGHER SALARIES COMMISSION - ELECTED MEMBER REMUNERATION PROPOSAL

<b>Officer responsible</b> City Manager	<b>Author</b> Peter Mitchell, DDI 941-8549
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The Strategy and Finance Committee met on Tuesday 21 May 2002 to consider a draft City Council response to the Higher Salaries Commission "Discussion Paper on Elected Member Remuneration Framework" issued in April 2002. An earlier version of the draft response was considered by the Legislation Subcommittee on 13 May.

The Committee recommends that the attached draft response be approved by the Council and forwarded to the Commission.

The attached draft response is based on the principle that a fixed remuneration pool be opposed on the basis that the quantum of elected member remuneration is a matter on which the Council should be accountable to its local community and not to Central Government.

The Committee also agreed that it would be appropriate for the Commission to use a job sizing approach to establish appropriate salary levels for various positions within council structures. Two matters which are drawn to the attention of Councillors are:

- The reference in paragraph 3 on page 4 to the Council being comfortable with a system of remuneration based on salary only, with no provision for meeting allowances; and
- The reference in the paragraph at the top of page 5 that the Council may test the attitude of the community to a reduction in the number of elected members when the Council is next required to review its basis of election by August 2003.

Also attached is a legal opinion from Mr John Fogarty QC which states that the Higher Salaries Commission has erred in law by adopting a remuneration pool approach.

The Committee noted that the statutory provisions referred to at pages 3-6 on Mr Fogarty's opinion which are currently in the Local Government Act 1974 are carried over and into the new Local Government Bill which is currently before a Select Committee and which is yet to report back to Parliament.

The Committee believes that the Council should write to the Minister of Local Government enclosing a copy of the Council's response and expressing concern about the following effects of the Higher Salaries Commission's proposal:

- It introduces a bulk funding model for elected member remuneration.
- It undermines the role of Community Boards.
- It fails to acknowledge the role of elected members.
- It undermines the principle in the Local Government Bill relating to greater community consultation.

The Committee believes this letter should be forwarded by the Mayor on behalf of the Council and followed up by a telephone call to the Minister.

- Recommendation:**
1. That the attached response paper be approved by the Council and forwarded to the Higher Salaries Commission.
  2. That the Mayor write to the Minister of Local Government enclosing a copy of the response paper and drawing her attention to the Council's concerns about the discussion paper as set out in the above report; the letter to be followed up by a telephone call to the Minister.