

#### 4. REMUNERATION AUTHORITY: INTERIM DETERMINATION

<b>Officer responsible</b> General Manager Regulation and Democracy Services	<b>Author</b> Max Robertson, DDI 941-8533
---	--

The purpose of this report is to seek authority for formal representations to be made to the Remuneration Authority in respect of the Authority’s recent Interim Determination prescribing elected member payments in the immediate post-election period.

#### BACKGROUND

Recently, the Remuneration Authority made the Local Government Elected Members (Interim) Determination 2004, which prescribes the remuneration, allowances and expenses payable to members of each council and community board in the interim period following the 2004 local authority elections.

In respect of the Christchurch City Council, and Christchurch Community Boards the Interim Determination provides for the following payments:

Office	Annual Salary
Mayor	\$141,590
Councillor	\$64,132

Mayoral car	Usage
Provided	Full private use

- Burwood-Pegasus Community Board*
- Shirley-Papanui Community Board*
- Fendalton-Waimairi Community Board*
- Spreydon-Heathcote Community Board*
- Hagley-Ferrymead Community Board*
- Riccarton-Wigram Community Board*

Office	Annual Salary
Chair	Nil
Member	Nil

The Determination comes into force on the date that the result of the election is declared. The Determination expires on 30 November 2004 but continues in force until each council has decided on its new structure and recommended to the Remuneration Authority (RA) how its remuneration pool should be divided. The RA will then make a new determination for the remuneration for each council.

The Determination approves backdating of payments as approved by the second order **once a new determination has been made by the RA** but permits no payment until the final order. This is clearly stated “there will be no backdating of salaries for Councillors or Community Boards except as outlined in the new determination” ie post election and conditional upon approval by the RA.

The RA has indicated that it expects each incoming Council to agree on a preferred remuneration structure within six weeks of the elections. The RA has also indicated that to minimise delays it will consider and approve remuneration proposals in tranches, as they are received.

#### ABSENCE OF ANY PROVISION IN INTERIM DETERMINATION FOR REMUNERATION OF COMMUNITY BOARD MEMBERS

The absence of any provision for the payment of Community Board members in the interim period affects not only the Christchurch City Council, but also a number of other councils where nil payments have been prescribed. Notwithstanding that back pay may be applicable once each council’s final proposal is approved by the RA, considerable concern has been expressed by both Local Government New Zealand and the affected councils as to the effect this will have on Community Board members in the interim period.

It has been suggested that it might be possible for the affected councils to make some interim payments to Community Board members, notwithstanding the provisions of the Determination. However, the Council’s Legal Services Manager has advised that it would not be possible for such payments to be made, outside the provisions of the Determination.

The situation is aggravated by the fact that some Community Board members and Community Board Chairs rely on their Community Board remuneration as their sole or major source of income, and, if they are elected or re-elected, will face financial difficulties in the interim period, because of the fact that there will be a period of at least six weeks when they will not be entitled to any payments.

Local Government New Zealand is seeking an urgent meeting with the Remuneration Authority to discuss this issue, in an effort to find a solution.

**Committee**

**Recommendation:** That the Council make formal representations to the Remuneration Authority regarding the absence of any provision for payments to members of the six Christchurch Community Boards in the interim period following the 2004 elections.