

6. ELECTED MEMBERS' REMUNERATION: BANKS PENINSULA

General Manager responsible:	General Manager Regulation and Democracy Services
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PURPOSE OF REPORT

1. The purpose of this report is to submit for the Council's consideration proposals for remunerating the Banks Peninsula Councillor and 10 members of the Lyttelton/Mt Herbert and Akaroa/Wairewa Community Boards, after those members assume office following the official declaration of the results of the elections to be held on Saturday 25 February 2006.

EXECUTIVE SUMMARY

2. The newly elected members will come into office on the day following the Electoral Officer's declaration of the official result of the election, which is usually released a week after polling day. Therefore it is expected that the new members will come into office on or about Sunday 5 March 2006.
3. Nominations for the new councillor and community board positions will be called on Friday 9 December 2005, with nominations closing at 12 noon on Friday 6 January 2006. To assist prospective candidates, it is desirable that this Council consider, before nominations close, levels of remuneration for the new positions the Council will recommend to the Remuneration Authority on an interim basis before the full review Council-wide in April-June 2006.
4. The Council's proposal must be approved by the Remuneration Authority via an amended Determination before the salaries proposed by the Council can be implemented.

FINANCIAL CONSIDERATIONS

5. There are seven different budget provisions for elected member remuneration in the City Council's budget for the current year (councillors and six community boards) amounting to a total of \$1,852,984, plus an additional provision of \$58,500 for payments to members who sit on resource hearings panels.
6. If the salaries proposed in Appendix A (attached) are adopted, it is estimated that the resulting additional expenditure on elected remuneration for the four months March-June 2006 will amount to just under \$51,000. However, the Banks Peninsula District Council estimates that of its total budget of \$204,668 for this item during the current financial year, approximately \$60,000 will remain unspent at the end of February. Thus, sufficient funds will be available to cover the additional salaries proposed to 30 June 2006.

LEGAL CONSIDERATIONS

7. The Remuneration Authority has a statutory power to amend the provisions of the Local Government Elected Members Determination (No 3) 2005 that cover the remuneration expenses and allowances in respect of the Banks Peninsula District and Christchurch City Councils at any time prior to expiry of that Determination on 30 June 2006. The Authority is able to fix different forms of remuneration and prescribe rules for their application. It may also differentiate between persons occupying equivalent positions in the same local authorities or community boards and make determinations that apply to individuals or groups occupying equivalent positions. The Authority must have regard to the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere, and be fair both to the persons whose remuneration is being determined and to ratepayers.
8. Section 30 of the Remuneration Authority Act 1977 states that any remuneration or allowance which the Remuneration Authority has jurisdiction to determine shall be fixed by the Authority and not otherwise. Therefore, an amended determination is required to be made by the Authority before the newly enlarged Christchurch City Council is able to pay the remuneration of the new Banks Peninsula Councillor and the 10 members of the two new community boards.

9. The City Council has the opportunity to propose to the Authority remuneration levels that it considers appropriate for the responsibilities of each position within the Council and its community boards. The Authority then determines the remuneration for each member after considering the Council recommendations, any dissenting views and other relevant factors. Remuneration pools are indicative funds notionally attributable to each local authority. They are based on population, operational expenditure, assets controlled and the rate of population change derived from published data. The funds available to the Christchurch City Council from the current City Council pool previously determined by the Remuneration Authority will not be sufficient to meet the additional payments after the new members assume office. The Remuneration Authority recognises this and has advised that it proposes to increase the current City Council pool to accommodate the additional positions in the period March-June 2006.
10. Provided that the Council complies with any determination made by the Authority, it will not be acting illegally in making these payments.
11. Any divergent views of Councillors and Community Board members in respect of the Council's proposed allocation of the pool must accompany the proposal submitted by the Council for approval.
12. This report relates only to salaries for the Banks Peninsula Ward Councillor and the 10 Peninsula Community Board members. It does not affect current City Councillors or current City Community Board members.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receives the information.
- (b) Resolve to adopt the salaries proposed in Appendix A to this report as the Council's proposal, to be submitted to the Remuneration Authority for its approval.

BACKGROUND ON ELECTED MEMBERS' REMUNERATION: BANKS PENINSULA

13. The Remuneration Authority is responsible for setting the salaries of elected local government representations (clause 6 of Schedule 7 of the Local Government Act 2002 refers).
14. In accordance with the Authority's latest determination, the following salaries currently apply in the case of Christchurch City Councillors and the six existing Christchurch community boards:

Office	Annual Salary
Councillor	\$77,977
Community Board Chairs	\$35,850
Community Board members	\$22,450

15. The Christchurch City Council indicative pool for 2005/06 amounts to:

Total pool	\$1,469,944
less Mayor's gross salary	\$146,110

Net pool available for 12 councillors and 30 community board members	\$1,323,834

16. It should be noted that 50% of the total remuneration paid to community board Chairs and elected community board members is paid outside the pool.
17. The following salaries currently apply in respect of the present members of the Akaroa/Wairewa and Lyttelton/Mt Herbert Community Boards:

Community Board Chairs (2 positions)	\$11,412
Remaining elected Community Board members (6 positions)	\$6,273

18. At present, each of the two Banks Peninsula Community Boards comprises four elected members, including the Chairperson (ie eight elected members in total). However, the membership of each Board will increase to a total of **five** elected members after Banks Peninsula District is dissolved also making it consistent with the composition of Community Boards in Christchurch.

DISCUSSION

Decisions to be made

19. In preparing its proposal, the Council is required to agree appropriate level/rates for the different positions. (It is assumed that as is the case of present councillors and the six present community boards, the Council would prefer that remuneration be paid on a salary only basis, rather than a mix of salaries and meeting fees.)

Remuneration Authority

20. In informal discussions, the Chairman of the Remuneration Authority has orally advised that the Authority proposes to issue an interim determination increasing the present Christchurch City remuneration pool, to accommodate the new councillor and community board positions for the period March-June inclusive. The Chairman has indicated that the increase in the size of the pool in this interim period will be sufficient to cover the one additional councillor position (at existing Christchurch City rates) and the additional community board positions (at the existing Banks Peninsula District Council rates). This proposal no doubt reflects the fact that the additional councillor will have city-wide responsibilities, whereas the responsibilities of the community board members will be limited to their respective communities.
21. This interim adjustment will only apply for the balance of the current year until 30 June 2006. A new pool will be established for 2006/07, and the Council will therefore be required to reconsider this issue on a city-wide (including Banks Peninsula) basis in May 2006, and submit a fresh proposal to the Authority for the remuneration of **all** elected members for 2006/07.

Distribution Options

22. The approximate current population (based on the 2001 Census night counts) of each present/proposed community is:

Burwood/Pegasus	56,900	
Riccarton/Wigram	60,000	
Hagley/Ferrymead	55,400	
Shirley/Papanui	57,800	
Spreydon/Heathcote	54,700	
Fendalton/Waimairi	54,000	
Lyttelton/Mount Herbert	5,397	
Akaroa/Wairewa	3,027	(Akaroa Subdivision 2,061, Wairewa Subdivision 966)

23. The Chairman of the Remuneration Authority has informally indicated that in the case of the community board positions, the increase in the City Council's remuneration pool will reflect the salaries which currently apply in respect of the present community board members. It is therefore recommended that the Council recommend to the Remuneration Authority that the salaries set in Schedule A of this report be paid to the Banks Peninsula Councillor and the elected members of the two Banks Peninsula Community Boards after those members assume office in March 2006, such salaries to apply for the remainder of the 2005/06 financial year.

Unanimity of the Council's Decision

24. Any divergent views of Councillors and Community Board members in respect of the Council's proposed allocation of the pool must accompany the proposal submitted by the Council for approval.
25. If the Council's recommendations are unanimous and reasonable it is unlikely that the Authority will withhold its approval. It does, however, have the power to amend any proposal if it is considered unreasonable.

CONCLUSION

26. The Council is required to submit its recommended remuneration proposal to the Remuneration Authority in respect of the additional elected member positions created as a result of the dissolution of the Banks Peninsula District Council.
27. The new remuneration rates cannot be implemented until that approval by the Remuneration Authority is received.