

5. MEMBERS' REMUNERATION

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Corporate Plan Output: Public Accountability: Mayor, Councillors and Community Board members	

The purpose of this report is to advise Councillors of the new rates of remuneration for elected members.

INTRODUCTION

The Minister of Local Government has recently issued a determination revising the maximum and minimum remuneration of members of regional councils, territorial authorities and community boards. The determination increases the maximum levels of remuneration by 2.5% backdated to 18 January 2000.

COMPARISON OF PRESENT RATES AND NEW RATES

The following schedule shows the new maximum rates of remuneration, compared with the previous maxima:

OFFICE	PREVIOUS MAXIMA		NEW MAXIMA	
	DAILY MEETING ALLOWANCE	ANNUAL SALARY	DAILY MEETING ALLOWANCE	ANNUAL SALARY
	\$	\$	\$	\$
Christchurch City Council				
Mayor	-	94,320	-	96,680
Deputy Mayor	185	31,820	190	32,620
Chairpersons of Standing Committees	185	31,820	190	32,620
Councillors	185	15,910	190	16,310
Community Boards				
Chairpersons	145	18,180	150	18,640
Members	145	9,990	150	10,240

CONCLUSION

The new rates are all expressed as maxima and it is within the discretion of the Council to decide on the level of payment not exceeding the maximum in each case.

PREVIOUS COUNCIL RESOLUTION OF 4 NOVEMBER 1998

The issue of remuneration was previously considered by the present Council at its meeting on 4 November 1998, when it was resolved:

- “1. That the salary and meeting allowances for the following positions be fixed at the maximum rates set out in the Determination issued by the Minister of Local Government in September 1998:*

Mayor
Deputy Mayor
Chairpersons of Standing Committees
Councillors
Chairpersons, Community Boards
Members of Community Boards

2. *That such rates apply without change throughout the whole of the 1998-2001 term of Council."*

FUTURE DETERMINATIONS

The Minister of Local Government has recently written giving details of the Cabinet's decision regarding proposed reforms of the system for determining elected members' remuneration.

The key elements of the decision are:

- (a) Local authority and community board members' remuneration determinations will be made by the Higher Salaries Commission (HSC).
- (b) Determinations will be based on the provisions contained in the Higher Salaries Commission Act 1977 for the determination of remuneration of members of the House of Representatives.
- (c) When implementing the decision in (b) above, the HSC will be required to have regard to an additional criterion to "*minimise the potential for remuneration to distort elected members' behaviour*" provided that this does not preclude the HSC from considering the use of meeting allowances as well as salary.
- (d) There will be no discretion for local authority elected members to determine their own remuneration. Local authorities will be able to determine remuneration for community board members within the maximum and minimum rates set by the HSC.
- (e) Expenses will be reimbursed on an actual and reasonable basis within guidelines set by the HSC.
- (f) The costs incurred by the HSC in making these determinations will be recovered from local authorities by way of a levy set by regulation under the Local Government Act.

The Government intends to make the necessary legislative changes in the proposed Local Government Law Reform Bill. In the event that the Bill does not go through within three months of the next HSC determination of parliamentary salaries, the Minister will make another determination under the existing scheme.

Recommendation: That the Council decide whether it wishes to set aside its 1998 resolution, to allow the application of the 2.5% increase approved by the Minister (and, if so the date on which such increase is to be applied) in respect of the following positions:

1. Mayor
2. Deputy Mayor and Chairpersons of Standing Committees
3. Councillors
4. Chairpersons of Community Boards
5. Members of Community Boards

(Note: Although members have a pecuniary interest in this decision, Section 6(3)(a) of the Local Authorities (Members' Interests) Act 1968 enables discussion to take place and a vote to be taken on this issue.)

Chairman's

Recommendation: That salaries and meeting allowances be confirmed at the existing rates, in accordance with the Council's resolution of 4 November 1998.