

Report 07.744
Date 7 November 2007
File E/05/02/03

Committee Council
Author Fran Wilde, Chair

Remuneration of Elected Members

1. Purpose

To adopt a remuneration proposal for submission to the Remuneration Authority.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The Remuneration Authority (the Authority) sets the remuneration of elected members of local authorities. Remuneration includes a salary, payment for resource consent hearings and allowances and expenses.

The Authority has developed a model that provides a remuneration pool for each local authority. The pool is reviewed annually and for regional councils is based on population (30%), expenses (25%), assets (15%), and capital value (30%).

For 2007/08 the Authority has set the Council's salary pool at \$825,357, and has issued an interim determination that applies from the election until a new remuneration regime is adopted by the Council and approved by the Authority.

The Council must determine the way in which the pool, minus the Chairperson's gross salary (\$135,562), is allocated between the remaining members. This could be by salary only or by salary and meeting fees. The Council must also decide its policy on allowances and expenses, which is also subject to the Authority's approval. A draft policy on allowances and expenses is attached as **Attachment 2**.

4. Recommended remuneration regime

I recommend the remuneration regime detailed in **Attachment 1** for our Council for the rest of 2007/08.

5. Sensitive Expenditure Policy for elected members

In February 2007 the Controller and Auditor-General issued a good practice guide entitled *Controlling Sensitive Expenditure: Guidelines for public entities*. The Controller and Auditor-General advised that these guidelines will be applied when conducting performance audits or inquiries, and financial audits of public entities, including local authorities. In light of these guidelines and expectations, a draft Sensitive Expenditure Policy (Elected Members) has been prepared (**Attachment 3**), which sets out the processes to be applied to the approval of expenditure which is sensitive in nature, and to the acceptance of gifts and invitations.

6. Communication

The Council's decision will be reported to the Authority.

7. Recommendations

That the Council:

- 1. **Adopts** the remuneration arrangements, detailed in Attachment 1 of this report.*
- 2. **Adopts** the Policy on Elected Members' Allowances and Expenses, detailed in Attachment 2 of this report.*
- 3. **Approves** the Sensitive Expenditure Policy (Elected Members), detailed in Attachment 3 of this report.*
- 4. **Notes** that the remuneration regime and Policy on Elected Members' Allowances and Expenses are subject to approval by the Remuneration Authority.*

Report prepared by:

Fran Wilde
Chair

Attachment 1: Proposed remuneration regime for 2007/08
Attachment 2: Draft Policy on Elected Members' Allowances and Expenses
Attachment 3: Draft Sensitive Expenditure Policy (Elected Members)