



Report 10.615  
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File E/05/02/03

Committee Council  
Author Cr Fran Wilde, Council 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 2010/11 the Authority has set the Chairperson's salary at \$147,838 and the remuneration pool for elected members (excluding the Chair) at \$735,607, 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 of \$735,607 is allocated between elected 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 arrangements detailed in **Attachment 1**.

#### **5. Policy on elected members' allowances and expenses**

The draft policy makes provision for allowances available to elected members. With regard to the mileage allowance it is proposed that the Council set an upper limit of 10,000km per year (1 July to 30 June) for mileage that may be claimed by any one elected member. This proposed limit takes account of:

- The distances travelled by elected members on Council business in the previous triennium
- The size of the region
- The expectation that all Councillors will be involved in Council business across the region.

#### **6. 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, the Council in 2007 adopted the Sensitive Expenditure Policy (Elected Members), 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. A proposed update of the policy is attached as Attachment 3 – no substantive changes are proposed to the existing policy.

#### **7. Communication**

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

#### **8. 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 arrangements 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 2010/11**

**Attachment 2: Draft Policy on Elected Members' Allowances and Expenses**

**Attachment 3: Draft Sensitive Expenditure Policy (Elected Members)**