



Report 08.23  
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File E/05/02/03

Committee Council  
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## Remuneration of Elected Members for 2008/09

### 1. Purpose

To adopt a proposal, for submission to the Remuneration Authority, on the remuneration of elected members for 2008/09.

### 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 uses a model that provides a remuneration pool for each council. From this pool elected members are paid a salary, or salary and meeting fees. The pool is reviewed annually and for regional councils is based on population (30%), expenses (25%), net assets (15%), and capital value (30%).

For 2008/09 the Authority has set an indicative pool of \$851,025 for Greater Wellington (**Attachment 1**), representing a 3.1% increase from 2007/08. The Chair’s salary has been increased to \$140,127 - a 3.4% increase. The Authority is seeking the Council’s recommendations on the distribution of the indicative pool, minus the Chair’s gross salary, amongst its elected members. The Council’s recommendations must be received by the Authority by 1 April 2008.

## 4. Comment

### 4.1 Remuneration

The Council must recommend the way in which the indicative pool should be allocated between the elected members. It is proposed that the same remuneration regime accepted by the Council for the last five years be applied. This determines that salaries, rather than salaries and meeting fees, be paid to elected members. Applying the percentage increase to the indicative pool, after deducting the Chair's gross salary, provides the following proposed remuneration for each position:

<b>Proposed Remuneration for 2008/09</b>	
<b>Position</b>	<b>Salary per position</b>
Deputy Council Chairperson with Committee	\$72,510
Committee Chairpersons (5)	\$69,552 each
Councillors (6)	\$48,438 each

### 4.2 Policy on elected members' allowances and expenses

The Authority has also sought information on the Council's policy on elected members' allowances and expenses. The Council last reviewed this policy in November 2007, and the policy was approved by the Authority in December.

One minor amendment is proposed to this recently approved policy - to clarify matters relating to the Council's personal accident insurance.

The Council's personal accident insurance provides cover for the death or bodily injury of an elected member. The Authority requires that any payment made in respect of a claim made under the insurance policy not be made to the elected member or their estate, as such a payment would constitute a personal financial benefit. A reference has been included in the draft policy to make it clear that any payment of a claim made in respect of an elected member is payable to the Council only, and will be used for Council purposes, e.g. to offset the costs of running an extraordinary election.

A copy of the proposed policy is attached as **Attachment 2**.

## 5. Communication

The Council's decision will be reported to the Authority before 1 April 2008.

## 6. Recommendations

*That Council:*

- (1) **Receives** the report.
- (2) **Notes** its contents.
- (3) **Notes** that the Remuneration Authority has set an indicative pool of \$851,025, and has determined the Chair's salary to be \$140,127 for 2008/09.
- (4) **Adopts** the following annual salary proposal for Remuneration Authority approval:
  - Deputy Council Chairperson with Committee - \$72,510
  - Committee Chairpersons - \$69,552 each
  - Councillors - \$48,438 each.
- (5) **Adopts** Greater Wellington's Policy on Elected Members' allowances and expenses, as detailed in Attachment 2, for Remuneration Authority approval.

Report prepared by:

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**Attachment 1: Remuneration Authority Indicative Pool 2008/09.**

**Attachment 2: Draft Policy on Elected Members' Allowances and Expenses – Greater Wellington Regional Council.**