

1986/77



**THE LOCAL GOVERNMENT (REGIONAL AND TERRITORIAL  
AUTHORITIES ANNUAL ALLOWANCES AND  
REMUNERATION) DETERMINATION 1986**

PURSUANT to section 214B of the Local Government Act 1974 and section 18 (2) of the Local Government Amendment Act 1985, the Minister of Local Government (having due regard to the changes in certain annual allowances determined by the Higher Salaries Commission in a determination dated the 19th day of March 1986 and made under section 214A of the Local Government Act 1974), hereby makes the following determination.

ANALYSIS

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DETERMINATION

**1. Title and commencement**—(1) This determination may be cited as the Local Government (Regional and Territorial Authorities Annual Allowances and Remuneration) Determination 1986.

(2) This determination shall take effect on and from the 1st day of April 1985 (being the date on and from which the determination of the Higher Salaries Commission dated the 19th day of March 1986 takes effect).

**2. Interpretation**—In this determination, unless the context otherwise requires,—

“Act” means the Local Government Act 1974:

“Committee” includes a subcommittee, a special committee, and a joint committee constituted by 2 or more local authorities or public bodies jointly pursuant to section 105 of the Act:

“Council” does not include a district community council or a community council:

“District” includes a region.

**3. Population**—For the purposes of this determination, the population of a district is,—

(a) Subject to paragraph (b) of this clause, the greater of—

(i) Its population as shown by the last census of population for which results have been published:

(ii) Its population, as assessed by the Government Statistician, on a date subsequent to the date of that census; or

(b) Where a district was not constituted on the date of the last census of population for which results have been published or has had its boundaries altered by the inclusion of additional land since the date of that census, its population as assessed by the Government Statistician, as at the date of its constitution or the date of the boundary alteration, as the case may be.

**4. Annual allowances of Mayors and Chairmen**—(1) A council of a territorial authority may pay to the Mayor or Chairman of the council an annual allowance not exceeding that specified in Part I of the First Schedule to this determination.

(2) A united council may pay to the Chairman of the council an annual allowance not exceeding \$6,500 per year.

(3) By virtue of section 214B (1)(a) of the Act, nothing in this clause applies in respect of any Chairman or Mayor whose annual allowance has been determined by the Higher Salaries Commission under section 214A of the Act.

**5. Annual allowances of Deputy Mayors and Deputy Chairmen**—A council (other than a town council) may pay to the Deputy Mayor or Deputy Chairman an annual allowance not exceeding 20 percent of the maximum allowance that may be paid to the Mayor or Chairman of the council.

**6. Annual allowances of Chairmen of standing or special committees**—A council may pay to each person who is the chairman of any standing or special committee appointed by it (other than the Chairman or Mayor of the council) an annual allowance not exceeding that specified in Part II of the First Schedule to this determination.

**7. Remuneration of members**—(1) Subject to subclauses (2) and (3) of this clause and clause 8 of this determination, a council may pay to its members who are not entitled to receive any allowance under clause 4, clause 5, or clause 6 of this determination, remuneration at the rate specified in Part III of the First Schedule to this determination in respect of each day on which the person attends a meeting of the council or a committee of the council either as a member or, where the person is not a member of the committee, as a person who is required to attend in the person's capacity as a councillor.

(2) The remuneration that may be paid under the authority of subclause (1) of this clause shall not be paid to any person in respect of more than 104 days in any calendar year.

(3) Nothing in subclause (2) of this clause shall prevent a member from being paid remuneration in respect of any day on which the member attends a meeting of any committee of the council constituted to hear applications and objections made under the Town and Country Planning Act 1977 or to consider submissions made under that Act.

**8. Application of daily remuneration**—In determining the remuneration payable to any person who is a member of a council—

- (a) Remuneration may be paid only once in respect of any one day (being a period of 24 hours beginning at midnight) irrespective of the number of meetings attended by the person on that day:
- (b) Where a meeting is adjourned to a subsequent day or days, remuneration may be paid in respect of each day on which the meeting is held:
- (c) A meeting that continues past midnight shall be deemed to have concluded before midnight:
- (d) Every meeting of a joint, standing, or special committee and every meeting of a subcommittee shall be deemed to be a meeting of a committee of the council of which the person is a member.

**9. Higher Salaries Commission determination**—The determination of the Higher Salaries Commission dated the 19th day of March 1986, being a relevant current determination of that Commission preceding this determination, is set out in the Second Schedule to this determination as required by section 214B (5) (a) of the Act.

**10. Revocations**—The following notices are hereby revoked:

- (a) The Local Government (Remuneration and Allowances) Notice 1982 (S.R. 1982/101):
  - (b) The Local Government (Auckland Regional Authority Remuneration and Allowances) Notice 1983 (S.R. 1983/54):
  - (c) Clauses 4 and 5 of the Remuneration Freeze Regulations Revocation Order 1984 (S.R. 1984/274).
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SCHEDULES

FIRST SCHEDULE

Clauses 4, 6, 7

PART I

SCALE OF MAXIMUM ANNUAL ALLOWANCES PAYABLE TO  
MAYORS AND CHAIRMEN

Population or Name of District	Maximum Annual Allowance
	\$
1. Not exceeding 1,500 .. .. .	3,500
2. Exceeding 1,500 but not exceeding 5,000 .. .. .	7,500
3. Exceeding 5,000 but not exceeding 10,000 .. .. .	11,000
4. Exceeding 10,000 but not exceeding 20,000 .. .. .	15,000
5. Exceeding 20,000 but not exceeding 50,000, other than the cities, district, and county specified in item 6 .. .. .	23,500
6. The cities of Whangarei, Tauranga, Gisborne, Napier, Hastings, New Plymouth, Wanganui, Nelson, Timaru, and Invercargill; the County of Rodney; and the District of Whakatane .. .. .	26,000
7. Exceeding 50,000 .. .. .	30,000

PART II

TABLE A

SCALE OF MAXIMUM ANNUAL ALLOWANCES PAYABLE TO CHAIRMEN OF  
STANDING OR SPECIAL COMMITTEES OF REGIONAL AND UNITED COUNCILS

Population or Name of District	Maximum Annual Allowance
	\$
1. Not exceeding 50,000 .. .. .	4,000
2. Exceeding 50,000 but not exceeding 100,000 (excluding Auckland Regional Authority and Wellington Regional Council) .. .. .	5,000
3. Wellington Regional Council .. .. .	7,000
4. Auckland Regional Authority .. .. .	9,500

FIRST SCHEDULE—*continued*

TABLE B

SCALE OF MAXIMUM ANNUAL ALLOWANCES PAYABLE TO CHAIRMEN OF  
STANDING OR SPECIAL COMMITTEES OF TERRITORIAL AUTHORITIES

Population or Name of District	Maximum Annual Allowance
	\$
1. Not exceeding 20,000      ..      ..      ..	3,000
2. Exceeding 20,000 but not exceeding 50,000      ..      ..	4,500
3. Exceeding 50,000 but not exceeding 100,000      ..      ..	7,000
4. Exceeding 100,000      ..      ..      ..	9,500

PART III

SCALE OF MAXIMUM REMUNERATION PAYABLE TO MEMBERS

Population or Name of District	Maximum Remuneration Per Day
	\$
1. Not exceeding 20,000      ..      ..      ..	35
2. Exceeding 20,000 but not exceeding 50,000      ..      ..	50
3. Exceeding 50,000      ..      ..      ..	60

Clause 9

SECOND SCHEDULE

REPORT BY THE HIGHER SALARIES COMMISSION ON ITS DETERMINATION OF  
ANNUAL ALLOWANCES FOR CERTAIN MAYORS AND CHAIRMEN

The Higher Salaries Commission drew attention in Chapter 13 of its Report on the General Review as at 1 April 1985 that, with the passing of the Local Government Amendment Act (No. 2) 1985 (1985, No. 60), the Commission is required to determine the maximum or actual allowance to be paid to Mayors and Chairmen of selected local government authorities. The relevant section of the Act (section 214A) was also quoted.

Criteria

No mention is made in that Act of the criteria to be used in making determinations. Nor can the criteria set out in the Higher Salaries Commission Act 1977 be easily related to fixing the allowances for Mayors and Chairmen, except that of "fairness to the tax paying public and to the employees of the State services". The Commission therefore has had to use its judgment in regard to the criteria on which it has based its determinations.

General

It is generally recognised that Mayors and Chairmen do not allow their names to go forward for election for the purpose of obtaining paid employment, and that they do so in a genuine desire to serve their respective communities. Nevertheless the Commission believes:

- that in major cities the occupation of Mayor can be a full-time one;
- that incumbents have family commitments; and

SECOND SCHEDULE—*continued*

- that they (and their spouses) make considerable sacrifices in respect of their enjoyment of leisure and family life.

Factors Considered

Population: In the past, population appears to have been used as a base for determining allowances. It has been represented to the Commission that this basis is too narrow and does not necessarily indicate the size and complexity of the wide range of duties carried out in a multi-purpose/multi-functional local authority. Size of population to be served is important, but other factors are too.

Locality: Irrespective of size of population, some localities demand greater involvement than others, e.g., traditional international or domestic tourist centres, centres of central government or provincial offices and, in some areas, a central relationship to a wide rural and small town catchment.

Types of Community: Communities are different and so responsibilities differ.

Functional Responsibilities: The demands made on individual Mayors and Chairmen vary widely. All Mayors and Chairmen are responsible for the quality of their council or board decisions. Without a doubt their positions require them to be “on call” to their various publics.

All Mayors and Chairmen are expected to represent the authority on all significant government and ceremonial occasions, particularly in the reception of distinguished visitors. The ceremonial aspects of the positions are demanding for the Mayors of major urban centres. Many of these duties are performed in conjunction with spouses, with all the associated costs of wearing appropriate dress, and involve inconveniences, particularly where young families are involved.

The Commission received many submissions about all these as well as other relevant matters from individual Mayors and Chairmen, and from various associations. The Municipal Association of New Zealand (Incorporated) was particularly helpful in its submission. The Commission is most grateful for the help it received.

Previous Adjustments

In making its determinations, the Commission has regard to the fact that, apart from the addition of a cost-of-living adjustment of up to \$8 a week on 1 April 1984, there has been no change in the allowances paid to the vast majority of Mayors and Chairmen of the local authorities concerned since 1982, and, in some cases, since 1980. Clearly these allowances were due for reappraisal.

Taxation

Various representations were made to the Commission concerning the “tax-free” element of the allowances under review. It is clear that the allowances contain elements of position-related costs which otherwise would not be incurred. It is not a function of the Commission to determine what the “tax-free” element of the allowances should be, nor is it able to make recommendations in this regard. It believes this is a matter for each Mayor or Chairman to take up with the Commissioner of Inland Revenue.

SECOND SCHEDULE—*continued*

Nature and Effect of Determinations

Almost a full year has passed since the date from which these determinations will take effect. Local authorities may not have anticipated the effect of the Commission's determinations, and the Commission has determined maximum annual allowances for the year beginning 1 April 1985 and left it to the individual local bodies to determine the actual amount of allowance to be paid for that year. For the year beginning 1 April 1986, however, the Commission's determinations are for actual annual allowances.

Pursuant to section 214A of the Local Government Amendment Act (No. 1) 1985 (1985, No. 60), therefore, the Higher Salaries Commission has made the following determinations:

<u>Office held by Chairman</u>	<u>Maximum Annual Allowance from 1 April 1985</u> \$	<u>Actual Annual Allowance from 1 April 1986</u> \$
The Mayor of Auckland ..	40,000	40,000
The Mayor of Wellington ..	40,000	40,000
The Mayor of Christchurch ..	40,000	40,000
The Mayor of Manukau ..	40,000	40,000
The Mayor of Waitemata ..	37,500	37,500
The Mayor of Hamilton ..	37,500	37,500
The Mayor of Dunedin ..	37,500	37,500
The Mayor of Palmerston North	32,500	32,500
The Mayor of Rotorua ..	32,500	32,500
The Mayor of Takapuna ..	30,000	30,000
The Mayor of Waimairi ..	30,000	30,000
The Mayor of Lower Hutt ..	30,000	30,000
The Chairman of Auckland Regional Authority ..	40,000	40,000
The Chairman of Wellington Regional Council .. ..	30,000	30,000
The Chairmen of the following United Councils:		
Waikato .. ..	6,500	6,500
Bay of Plenty .. ..	6,500	6,500
Manawatu .. ..	6,500	6,500
Canterbury .. ..	6,500	6,500
Coastal-North Otago .. ..	6,500	6,500
The Chairman of Auckland Harbour Board .. ..	15,000	15,000
The Chairman of Auckland Electric Power Board ..	13,000	13,000
The Chairman of Auckland Hospital Board .. ..	25,000	25,000
The Chairman of Otago Catchment Board .. ..	10,000	10,000

SECOND SCHEDULE—*continued*

In each case, the maximum and actual annual allowances determined are deemed to incorporate any cost-of-living adjustments which may have been payable prior to 1 April 1985.

J. DUNMORE, Chairman.  
J. T. F. FRANCIS, Member.  
G. L. JACKSON, Member.

Dated this 19th day of March 1986.

*Note:* The Higher Salaries Commission has issued a correction sheet changing a reference to the Mayor of Waimairi to a reference to the Chairman of the Waimairi District Council.

Dated at Wellington this 17th day of April 1986.

MICHAEL BASSETT,  
Minister of Local Government.

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EXPLANATORY NOTE

*This note is not part of the determination, but is intended to indicate its general effect.*

This determination fixes the maximum allowances and remuneration that may be paid to Chairmen and Mayors of regional and united councils and territorial authorities, Deputy Chairmen and Deputy Mayors, chairmen of standing or special committees, and members of those bodies. The determination does not apply to the 19 Chairmen and Mayors whose annual allowances were determined by the Higher Salaries Commission in the determination set out in the Second Schedule to this determination.

There are a number of changes to the system of payments in addition to increases in amounts—

- (a) Deputy Chairmen and Deputy Mayors may receive up to 20% of the maximum annual allowance of the Chairman or Mayor, but cannot receive additional daily remuneration. They may, however, also receive an allowance as chairman of a standing or special committee:
- (b) Chairmen of standing or special committees may receive an annual allowance (but not daily remuneration) for holding that office, but may not receive additional remuneration for attending meetings as an ordinary member.

The determination takes effect on and from 1 April 1985 and fixes the maximum annual allowances and remuneration payable on and from that date. The actual allowances and remuneration payable up to those maxima are to be set by each regional or united council or territorial authority.

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Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 23 April 1986.

This determination is administered in the Department of Internal Affairs.