

5 December 2006

To: All Chairs and Chief Executive Officers
Regional Councils

INDICATIVE POOLS 2007/2008

I would like to thank the many councils who forwarded the information on financial data for the year ended 30 June 2006 in a timely manner. Unfortunately there were several district councils which did not supply the information by the date requested and consequently this advice is a little later than we would have liked.

The enclosed tables set out the total indicative pools and Chairs' gross salary levels for the 2007/2008 financial year. In calculating the new levels the Authority has applied a base increase of 3.5% to adjustments which flow from changing relativities across the population/assets/expenditure calculations.

Would you please now consider the new figures and forward to the Authority, by 1 April 2007, your recommendations for the distribution of the indicative pool. (Forms enclosed.) Your assistance in meeting this deadline will enable the early issue of the new determination to be effective from 1 July 2007.

The determination we intend to issue in June 2007 will cover the period 1 July 2007 up to and including the date on which the results of the October 2007 elections are declared.

The Authority intends to follow the practice used in 2004 and issue an interim determination to fix salaries to cover the period after the new councils come into office. The salary levels will be set at a conservative level to allow new councils to review committee structures, allocation of responsibilities and adjust to increased or reduced elected members. It is expected the interim determination will be promulgated in early August 2007.

New determinations to carry through to 30 June 2008 will be issued as soon as practicable once the Authority has had time to consider the recommendations from the incoming councils. Backdating of salary adjustments will normally be adopted to line up with the date on which relevant council decisions are made. Further advice on this process will be issued at the time the interim determination is issued.

Chairs' Cars

The Authority needs to obtain confirmation of details of any vehicle currently allocated to the Chair. (Form enclosed.) It is important whenever a change in the Chair's vehicle is authorised by council that the Authority be advised immediately in order that appropriate adjustments, up or down, can be made to the Chair's net salary. This adjustment can only be validated through the issue of a determination.

Expenses Policy

The Authority will be writing to you in February 2007 concerning procedures we will put in place for the consideration and approval of council expenses policies.

Yours sincerely


David Oughton
Chairman

REMUNERATION AUTHORITY - FUNDING FORMULAE AND FACTORS

	---Population Calc---		---Expenses Calc---		--Gross Assets Calc--		---Capital Value \$\$---	
	Population 2005/06	Funding Weighting	Expenses (000)'s	Funding Weighting	Assets (000)'s	Funding Weighting	Capital Value 2,006	Funding Weighting
Regional Council								
Auckland Regional Council	1,358,200	34.58%	174,824	27.94%	1,857,290	31.29%	277,071	36.62%
Wellington Regional Council	464,700	11.83%	128,482	20.53%	874,178	14.73%	80,794	10.68%
Environment Canterbury	533,200	13.58%	86,540	13.83%	439,418	7.40%	95,087	12.57%
Environment Waikato	387,700	9.87%	70,944	11.34%	270,815	4.56%	94,466	12.48%
Environment Bay of Plenty	262,900	6.69%	41,681	6.66%	948,794	15.98%	42,517	5.62%
Horizons.mw	225,900	5.75%	34,077	5.45%	294,048	4.95%	32,646	4.31%
Otago Regional Council	198,300	5.05%	20,225	3.23%	400,719	6.75%	40,463	5.35%
Hawkes Bay Regional	149,900	3.82%	26,130	4.18%	382,097	6.44%	25,765	3.40%
Environment Southland	92,400	2.35%	17,507	2.80%	92,989	1.57%	17,280	2.28%
Northland Regional Council	149,600	3.81%	14,603	2.33%	236,501	3.98%	31,667	4.18%
Taranaki Regional Council	105,000	2.67%	10,780	1.72%	139,058	2.34%	18,957	2.51%
TOTALS	3,927,800	100.00%	625,793	100.00%	5,935,907	100.00%	756,713	100.00%

REMUNERATION AUTHORITY - FUNDING FORMULAE AND FACTORS - SUMMARY

	Population	Expenses	Assets	Capital	Total Points	Indicative Pool	Chair's Salary
Regional Council							
Auckland Regional Council	1,358,200	914,405	614,486	1,438,167	4,325,258	870,874	151,518
Wellington Regional Council	464,700	672,016	289,223	419,370	1,845,309	825,357	135,562
Environment Canterbury	533,200	452,641	145,382	493,559	1,624,783	794,859	133,234
Environment Waikato	387,700	371,068	89,599	490,336	1,338,703	732,424	128,597
Environment Bay of Plenty	262,900	218,010	313,909	220,689	1,015,508	651,295	122,700
Horizons.mw	225,900	178,237	97,286	169,453	670,876	523,575	112,873
Otago Regional Council	198,300	105,785	132,578	210,028	646,691	513,158	111,392
Hawkes Bay Regional	149,900	136,671	126,417	133,736	546,724	470,099	105,271
Environment Southland	92,400	91,569	30,765	89,694	304,428	365,283	82,019
Northland Regional Council	149,600	76,380	78,247	164,371	468,597	436,341	98,565
Taranaki Regional Council	105,000	56,384	46,007	98,398	305,790	365,872	82,203
TOTALS	3,927,800	3,273,167	1,963,900	3,927,800	13,092,667	6,549,136	1,263,934

REGIONAL COUNCILS

Variables

Weightings		Points
Population	30.0%	3,927,800
Expenses	25.0%	3,273,167
Assets Gross	15.0%	1,963,900
Capital Value	30.0%	3,927,800
	100%	13,092,667

13,092,667

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Indicative Pool - Points to remuneration			
Points		Rate	Max
	Flat Base		233,515
311,508		0.433	134,832
519,180		0.433	224,720
726,852		0.431	314,170
1,038,360		0.359	425,982
1,557,540		0.243	552,045
2,076,720		0.138	623,846
2,595,900		0.008	628,230
3,115,080		0.005	630,971
3,634,260		0.005	633,711
4,153,440		0.005	636,452
4,672,620		0.005	639,192
5,191,800		0.005	641,933

Chair's salary - Points to Remuneration			
Points		Rate	Max
	Flat Base		40,882
311,508		0.135	42,094
519,180		0.099	62,702
726,852		0.061	75,418
1,038,360		0.022	82,324
1,557,540		0.018	91,642
2,076,720		0.011	97,123
2,595,900		0.007	100,960
3,115,080		0.006	104,248
3,634,260		0.005	106,989
4,153,440		0.005	109,729
4,672,620		0.005	112,470
5,191,800		0.005	115,210

REGIONAL COUNCIL

The Regional Council has resolved to recommend the following remuneration for councillors for the period 1 July 2007 up to and including the date on which the results of the October 2007 elections are declared for consideration by the Remuneration Authority. (All figures on an annualised basis.)

<u>Position</u>	<u>No.</u>	<u>Annual Salary</u>	<u>Total annual salaries</u>
Total salaries			\$

Meeting Fees: If recommended please supply:

(a) recommended rate payable

\$

(b) the total notional annualised amount set aside for such meetings

\$

The recommendations above were resolved by the Council on _____

Unanimously; or

With dissent

(Where there was any dissent, details of that dissent are attached.)

Signed: _____ Chair

Date: _____

CHAIR VEHICLE

Councils decide whether or not a car is to be supplied and on what basis.
The determinant is what is most cost effective for Council and ratepayers.

Please use this form to confirm or reconfirm car provision details.

Car supplied:		YES/NO
If Yes, <u>confirm</u>	Make & Model _____	
	Year _____	
	Cost (incl. GST) \$ _____	
Use of car:	Private use	YES/NO
	If yes, confirm % private use _____ %	
	Chair use only	YES/NO

N.B. Chair use only means that the car can be used by other officers, can be driven home and garaged by the Chair but does not permit any private use.

Car value deduction calculation:

If value of car = \$38,000 incl. GST
% of private use = 6%

$\$38,000 \times 47\% \times 6\% = \underline{\$1,071.6}$ This is the amount to be deducted from the Chair's salary.

N.B. Where full private use is indicated the maximum deduction is now set at 20%.