

Extraordinary Council Meeting
Wednesday 14 February 2024 at 10.15am

AGENDA

Northland Regional Extraordinary Council Meeting Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 14 February 2024, commencing at 10.15am

Recommendations contained in the council agenda are NOT council decisions. Please refer to council minutes for resolutions.

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1.0 NGĀ MAHI WHAKAPAI / HOUSEKEEPING	
<i>Key Health and Safety points to note:</i>	
<ul style="list-style-type: none">• <i>If the fire alarm goes off – exit down the stairwell to the assembly point which is the visitor carpark.</i>• <i>Earthquakes – drop, cover and hold</i>• <i>Visitors please make sure you have signed in at reception, and that you sign out when you leave. Please wear your name sticker.</i>• <i>The toilets are on the opposite side of the stairwell.</i>• <i>Please adhere to the recommended Covid alert guidance that applies.</i>	
<i>Please note that the public section of this meeting will be recorded and livestreamed via Youtube to the NRC website. As a participant in the meeting or a member of the public gallery your presence may be recorded. By remaining present at the meeting it is understood your consent is given if your image or voice is broadcast.</i>	
<i>Opinions expressed or statements made by individual persons during a meeting are not the opinions or statements of the Northland Regional Council.</i>	
2.0 KARAKIA TIMATANGA – TAUĀKI Ā ROTO / OPENING KARAKIA	
3.0 NGĀ WHAKAPĀHA / APOLOGIES	
4.0 NGĀ WHAKAPUAKANGA / DECLARATIONS OF CONFLICTS OF INTEREST	
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TITLE: Governance structure review and actions

From: Gavin Dawson, Governance Specialist

Authorised by Jonathan Gibbard, Tāhūhū Rangapū - Chief Executive Officer, on 08
Group Manager/s: February 2024

Executive summary/Whakarāpopototanga

This report implements the notice of motion and council decision during the November 2023 council meeting to disestablish the existing Audit and Risk Committee and Property and Investment Committee, along with the membership (**Attachment 1**).

In accordance with the council decision and subsequent council workshop, this report proposes that an Audit, Risk, and Finance Committee and Infrastructure Committee be established, and membership appointed using powers provided for in the Local Government Act 2002.

Recommendation(s)

1. That the report 'Governance structure review and actions' by Gavin Dawson, Governance Specialist and dated 31 January 2024, be received.
2. That the Audit and Risk Committee and its membership be disestablished.
3. That the Property and Investment Committee and its membership be disestablished.
4. That the Audit, Risk, and Finance Committee be established.
5. That the Audit, Risk, and Finance Committee terms of reference be adopted (**Attachment 3**).
6. That the following elected members are appointed to the Audit, Risk, and Finance Committee:
 - Cr Peter Lucas (Chair of Committee)
 - Cr John Blackwell (Committee Member)
 - Cr Joe Carr (Committee Member)
 - Cr Jack Craw (Committee Member)
 - Chair Geoff Crawford (ex-officio Member).
7. That the Infrastructure Committee be established.
8. That the Infrastructure Committee terms of reference be adopted (**Attachment 2**).
9. That the following elected members are appointed to the Infrastructure Committee:
 - Cr Joe Carr (Chair of Committee)
 - Cr John Blackwell (Committee Member)
 - Cr Geoff Crawford (Committee Member).

Options

No.	Option	Advantages	Disadvantages
1	That the recommendations are accepted in their entirety.	The Notices of Motion are given effect as intended.	There are no known disadvantages.
2	That the recommendations are not accepted in their entirety.	The current system and processes remain in place with no change required.	The Notices of Motion are not given effect as intended.
3	That the recommendations are accepted in part.	There are no known advantages.	The Notices of Motion are not given effect as intended.

The recommended option is option 1, as this gives effect to the November 2023 notice of motion and implements a new governance structure, as confirmed during a workshop held on 30 January 2024.

Considerations

1. Climate Impact

There are no climate impacts related to this matter.

2. Environmental Impact

There are no environmental impacts related to this matter.

3. Community views

Community consultation is not required for this matter.

4. Māori impact statement

Council has supported greater involvement of Maori in council governance structure and decision-making processes. This report maintains this approach with the two independent Māori advisors appointed to the two committees proposed to be disestablished being included as full members of both new committee's of council.

5. Financial implications

There are no increased costs due to the proposed changes.

6. Implementation issues

Implementation of the committees will follow immediately after a decision is made.

7. Significance and engagement

This matter is deemed of low significance when assessed against council policy.

8. Policy, risk management and legislative compliance

This matter is compliant with policy and legislative requirements.

Background/Tuhinga

The Council voted to make governance leadership and structure changes at the November 2023 Council meeting (**Attachment 1**).

Draft terms of reference for a new Infrastructure Committee and Audit, Risk, and Finance Committee were presented for feedback from elected members on Tuesday 30 January 2024. The feedback provided at that workshop has been incorporated into the proposed terms of reference for consideration and adoption.

Council's power to act

The power of the council to establish, amend, or disestablish governance structures is provided for in the Local Government Act 2002. For the council to use this power, a simple majority of council is required at a formal meeting of the council.

About the new committees

It is proposed that two new committees are established.

Infrastructure Committee

The proposed terms of reference are provided in **Attachment 2**.

These were developed through a combination of reviewing NRC responsibilities and statutory obligations, regional governance arrangements, and models used by other councils around New Zealand.

Initially, climate change was included in the terms of reference which was reviewed at the council workshop. This has now been removed as the infrastructure components of climate change are well covered by other specific references.

The following guiding principles were applied in the development of the draft terms of reference:

- Ensuring that the committee provides an opportunity to strengthen and improve the current system as a whole
- Ensuring that the work, role, functions, and programmes of existing governance bodies are not duplicated
- Ensuring that the Committee has an opportunity to offer meaningful and timely feedback
- Create opportunities to advocate and highlight opportunities and challenges faced by the Northland region
- Looking to other councils on what they do
- Governance best practice.

Audit, Risk, and Finance Committee


The proposed terms of reference are provided in **Attachment 3**.


It is proposed that the existing Audit and Risk Committee and Property and Investment Committee be disestablished, and an Audit, Risk, and Finance Committee be established, in line with other public sector organisations and best practice.


It is important to note that the terms of reference for the proposed Audit, Risk, and Finance Committee are based on the existing terms of reference used for the current Audit and Risk Committee and Property and Investment Committee.

One additional general delegation has been added, based on feedback from the workshop held on 30 January 2024. It relates to the delegation's manual and reads, "*Review the delegation's manual from time to time and make recommendations to council for any changes*".

Attachments/Ngā tapirihanga

Attachment 1: Council Meeting Minute extract - 28 November 2023 [↓](#) 

Attachment 2: Proposed Infrastructure Committee terms of reference [↓](#) 

Attachment 3: Proposed Audit, Risk, Finance Committee terms of reference [↓](#) 

Council Meeting Minute Extract – 28 November 2023

Agenda item 5.4:

Moved (Jones/Shortland)

8. That the Northland Regional Council agree in principle to merge the Audit and Risk SubCommittee and Investment and Property Sub-Committee, within three months, noting a review of membership will be necessary and terms of reference amended to support the merge (refer to Attachment Six pertaining to Item 5.4 of the 28 November 2023 council agenda).

Carried

(In putting the motion the Chair called for an expression of opinion by a show of hands. The result being Councillors Blackwell, Carr, Crawford, Jones and Shortland in favour of the motion and Councillors Craw, Macdonald, Robinson and Stolwerk against).

Moved (Carr/Blackwell)

9. That the Northland Regional Council approves the establishment of an Infrastructure Standing Committee. (refer to Attachment Seven pertaining to Item 5.4 of the 28 November 2023 council agenda).

Carried

(In putting the motion the Chair called for an expression of opinion by a show of hands. The result being Councillors Blackwell, Carr, Crawford, Jones and Shortland in favour of the motion and Councillors Craw, Macdonald, Robinson and Stolwerk against).

Terms of Reference Infrastructure Committee

Status and Standing Orders

This committee is established under the Local Government Act 2002. NRC Standing Orders apply.

Purpose

The purpose of the committee is to ensure an efficient, consistent, and integrated regional approach to the planning and delivery of approved and budgeted council infrastructure and related work programmes.

Membership

Four (4) elected members, with one to be appointed as Chair of Committee
Two (2) Independent Tangata Whenua members.

Chair of Committee

The Chair must be an NRC Elected Member and appointed by the council.

Quorum

At least half of the membership (excluding any committee vacancies).

Meeting frequency

Quarterly.

Objectives

- Ensure NRC's work programmes are kept adequately informed of relevant infrastructure activity across Northland
- Monitor and review relevant NRC's infrastructure related work programmes and strategies, including: integrated flood risk management, natural hazards, coastal adaptation, integrated transport networks, and river catchment management
- Monitor and review the performance of the Infrastructure Strategy and Asset Management Plans
- Strengthen engagement and partnership with Iwi and hapū to ensure appropriate development and maintenance of resilient infrastructure.

Delegations

- Advocate for improved investment and support for appropriate and resilient infrastructure planning and funding across Northland. Where a matter is outside the scope of NRC, the relevant Territorial Authorities must be consulted
- Delegate to representatives of the committee the ability to engage with Government ministers on approved infrastructure matters. Where a matter is outside the scope of NRC, the relevant Territorial Authorities must be consulted
- Make submissions to government on infrastructure related national policy and funding mechanisms (provided this does not duplicate any specific function of another governance committee).
- Establish and disestablish working groups on matters relating to committee business
- Co-opt a person as a (non-voting) member of the committee to assist with special projects
- Make recommendations to the Council for a decision.

In Accordance Clause 32 (1) of Schedule 7 of the Local Government Act 2002, the committee does not have the powers of council to borrow money or purchase or dispose of assets.

Role and Responsibilities

The committee is directly responsible and accountable to the council for the exercise of its responsibilities. In carrying out its responsibilities, the committee must always recognise that primary responsibility for management of the council rests with the Chief Executive.

For reasons of efficiency and/or expediency, should the committee not be able to perform their functions, the council will assume their role and responsibilities.

DRAFT

Terms of Reference

Audit, Risk, and Finance Committee

Membership

The committee shall be comprised of five (5) councillors, two (2) Independent Tangata Whenua Members, one (1) Independent Risk Advisor and one (1) Independent Consultant.

Standing orders apply.

Quorum

The quorum for meetings of the committee shall be five. Ex-officio and independent members count towards a quorum.

Vision, mission and areas of focus (Long Term Plan 2021-2031)

Our Northland – together we thrive. Working together to create a healthy environment, strong economy and resilient communities.

Objectives

The objectives of the committee are to:

- Provide oversight and assistance to the Chief Executive on council's internal and external audit activities, ensuring that accountabilities and responsibilities are fulfilled;
- Make recommendations to council on audit matters; and
- Review financial performance.
- Provide oversight and assistance to the council's risk and health & safety activities, ensuring that accountabilities and responsibilities are fulfilled; and
- Make recommendations to council on risk management and health and safety matters.
- Provide oversight and assistance to the Chief Executive on council's investment activities within established limits, ensuring external accountabilities and responsibilities are fulfilled;
- Provide oversight and assistance to the council's Chief Executive to negotiate property sale and purchase agreements;
- Make recommendations to council on investment fund matters;
- Make recommendations to council on property investment matters; and
- Manage investment returns that can influence operational budgets and public equity.

Role and Responsibilities

The committee is directly responsible and accountable to the council for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for management of the council rests with the Chief Executive.

For reasons of efficiency and/or expediency, should the subcommittee not be able to perform their functions, the council will assume their role and responsibilities.

Working Groups

The committee is further authorised to fulfil its role and responsibilities through the establishment or disestablishment of other working groups as the committee sees fit.

Working groups can include councillors, independent members, and advisors whose skills and experience are appropriate to the work being done. The staff member responsible to provide support to the working groups shall be the Chief Executive, who may delegate the role. Delegated authority and functions
The council authorises the committee, within the scope of its Terms of Reference, role, and responsibilities, to:

Delegated authority and functions

Audit and Risk

1. General

- a) Subject to operating within approved budget allocation - obtain information it needs from the CEO and/or external party (subject to their legal obligation to protect information);
- b) Discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- c) Request the attendance of any employee, subject to the Chief Executive's approval, at meetings of the committee or its working groups;
- d) In discussion with the CEO and subject to operating within approved budget allocation – request the CEO to obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- e) Recommend the co-opting of a person as a (non-voting) member of the committee to assist with special projects;
- f) To review council finances on a quarterly basis;
- g) Recommend to council that additional members be appointed to the Committee should it consider wider representation would be of assistance in performing its functions;
- h) Review the delegations manual from time to time;
- i) To regularly report progress on its functions to the council; and
- j) Undertake such other functions as may be delegated by council from time to time.

2. External Audit

- a) Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors;
- b) Provide advice to the Chief Executive to negotiate fees with external auditors;
- c) Review Audit Management Letter;
- d) Review Audit Plan;
- e) Review Independent Audit Reports;
- f) Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the audit services provided;
- g) Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations;

- h) Oversee the co-ordination of audit programmes conducted by the external auditors and other review functions; and
- i) Provide reports and advice to the council on action taken on significant issues raised in relevant external audit reports and good practice guides.

3. Finance

- a) Monitor and review financial policies;
- b) Monitor and review financial performance; and
- c) Recommend new borrowing to council.

4. Reporting

- a) Review and recommend to council the adoption of the Annual Report and Summary Annual Report, focusing particularly on:
 - i. Any changes in accounting policies and practices;
 - ii. Major judgemental areas;
 - iii. Significant adjustments resulting from audit;
 - iv. Compliance with financial reporting and other applicable standards;
 - v. Compliance with statutory requirements; and
 - vi. Other reports prepared by management for release to stakeholders, such as any summary financial reports.

5. Risk Management

- a) Determine whether management has appropriately considered legal, operational and compliance risks as part of council's risk management arrangements;
- b) Review council's risk management framework and policies for effective identification and management of the council's risks.
- c) Review the council's corporate risk register in line with the council's risk management framework and policies.
- d) Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- e) Review the effect of the council's risk management framework on its control environment and insurance arrangements.
- f) Review whether a sound and effective approach has been followed in establishing council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- g) Review council's fraud control plan and satisfy itself that the council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.
- h) Review and monitor the council's policies and practices relating to sensitive expenditure.
- i) Review the effectiveness of the system for monitoring council's compliance with relevant laws, regulations and associated policies and make recommendations to council on improvements to council's risk management framework.

6. Health and Safety

- a) Consider and review the council's health and safety management

and organisational wellness.

- b) Make recommendations to council on improvements to the Health and Safety Management System.

Property and Investment

1. General

- a) Make decisions in accordance with the Terms of Reference
- b) Move investment funds between various managed funds within approved limits provided for in the Statement of Investment Policy and Objectives (SIPO).
- c) CEO to withdraw and invest in the Short Term Fund within established delegations.
- d) CEO to withdraw and invest funds held in term deposits being self-managed cash reserves.
- e) Recommend manager(s) of new funds for approval by council.
- f) Ensure that there are no withdrawals from funds except the Short-Term Fund without the approval of council.
- g) Subject to operating within approved budget allocation - obtain information it needs from the CEO and/or external party (subject to their legal obligation to protect information);
- h) Discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- i) Request the attendance of any employee, subject to the Chief Executive's approval, at meetings of the subcommittee or its working groups;
- j) Subject to operating within approved budget allocation - obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- k) Co-opt a person as a (non-voting) member of the subcommittee to assist with special projects;
- l) Recommend to council that additional members be appointed to the Committee should it consider wider representation would be of assistance in performing its functions;
- m) Appoint working groups to make recommendations to the Committee on any matters of responsibility within the subcommittee's Terms of Reference, and act in accordance with resolutions of the subcommittee (in line with specific limitations) where there is urgency or special circumstance;
- n) To regularly report progress on its functions to the council; and
- o) Undertake such other functions as may be delegated by council from time to time.

2. Financial Management and Reporting

- a) Monitor and report on the financial performance of all funds against budget.
- b) Make recommendations to council on any forecast variances against budget.
- c) Determine the means of financial reporting to council and the public.

3. Funding, Financial and Other Policies

- a) Contribute to the review of any changes required to relevant sections of the council's funding and financial policies (including those required under Section 102 of the Local Government Act (LGA) 2002) specifically the:

- ii. Investment Policy

4. Investment Functions

- a) To periodically review council's overall investment portfolio and provide recommendations to council as to adjustments to maintain an appropriate investment mix.
- b) Ensure there are no withdrawals from the Long-Term Fund without the approval of council, other than for operational funding from gains made in the fund and as budgeted in accordance with the current Long Term Plan or Annual Plan.
- c) Undertake the investment functions referred to in the Investment Policy adopted within the current LTP. These functions include:
 - i. To review performance and compliance against council's Investment Policy and reporting for all the council's investment funds (Statement of Investment Policy and Objectives).
 - ii. To make investment decisions within the subcommittee's delegations;
 - iii. To make recommendations to council on any changes that fall outside the subcommittee's delegations including changes to the construction of investment portfolios, the Investment Fund Statement of Investment Policies and Objectives, the Investment Policy, and investment management appointees.
 - iv. To recommend to the council targets, policies and strategies for undertaking its investment activities.
 - v. To oversee the administration and review of the council's investment opportunities within the subcommittees delegated authority and make recommendations to council as appropriate.

5. Property Investment Functions

- a) To work with the CEO to negotiate sale and purchase agreements for properties (within +/- 5% of their valuation) and provide appropriate sale and purchase recommendations to council for consideration.

- b) Undertake the property investment functions referred to in the Treasury Management Policy adopted within the current LTP. These functions include:
 - i) To review performance and compliance against council's Treasury Management Policy (and its

- ii) To make recommendations to council on any changes to the subcommittee's delegations, the objectives and policies in the Treasury Management Policy;
- iii) To recommend to the council targets, policies and strategies for undertaking its property activities.
- iv) To oversee the administration and review of the council's property investment opportunities within the subcommittees delegated authority and make recommendations to council as appropriate.

No Delegated Authority – Power to Act

In Accordance Clause 32 (1) of Schedule 7 of the Local Government Act 2002, the subcommittee does not have the powers of council to borrow money or purchase or dispose of assets.

DRAFT

TITLE: Review of Councillor Portfolios

From: Chris Taylor, Governance Specialist

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 08 February 2024

Executive summary/Whakarāpopototanga

This report enables council to review its councillor portfolios taking into account the changes that have occurred to its governance arrangements since the portfolio holders were originally appointed in November 2022.

It is important for the efficient and effective running of business that councillor portfolios are assigned to the appropriate role and/or subject expert.

Recommendations:

1. That the report 'Review of Councillor Portfolios' by Chris Taylor, Governance Specialist and dated 31 January 2024, be received.
2. That council confirms the following councillor portfolios:

Memberships / Delegation	Councillor
Kaipara Moana Working Party	Cr T Shortland and Cr P Jones
Northland Conservation Board	Cr G Crawford
Shareholder representative for Northland Marsden Maritime Holdings Ltd <i>(delegating all necessary authority to represent the council's interest including but not limited to exercising council's vote)</i>	Chair of council
Shareholder representative for Northland Inc Ltd <i>(Delegating all necessary authority to represent the council's interest including but not limited to exercising the council's</i>	Chair of council
Shareholder representative on Regional Software Holdings Ltd. <i>(Delegating all necessary authority to represent the council's interest including but not limited to exercising the council's</i>	Chair of council
Upper North Island Strategic Alliance (UNISA)	Chair of council
Zone one (LGNZ)	Chair of council

3. That council notes that councillor portfolios for Appeals on the Regional Plan and for the Northland Sports Facilities Plan are no longer required.

Options

No.	Option	Advantages	Disadvantages
1	Update the portfolio holders.	Ensures the councillor portfolios are assigned to the appropriate elected members based on role and/or subject expert.	None-apparent.
2	Do not update the portfolio holders.	None-apparent.	The portfolio holders do not reflect the changes that have occurred to the council's governance arrangements since the original appointments were made.

The staff's recommended option is 1; update the portfolio holders.

Considerations

Being an administrative matter, climate impact, environmental impact, community views, Māori impact statement, financial implications and implementation issues are not directly relevant.

1. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy given it is an administrative matter and part of council's day to day activities.

2. Policy, risk management and legislative compliance

The recommendations within this report give effect to Schedule 7, Clause 32 of the Local Government Act 2002 (LGA) which states that for the purposes of efficiency and effectiveness in the conduct of the local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority certain responsibilities (noting the Act clearly defines those responsibilities which cannot be delegated).

Background/Tuhinga

Following the 2022 local government elections, the new council confirmed its governance structure at the 22 November 2022 council meeting. This included confirmation of the various committees, subcommittees and working parties, their memberships and Terms of Reference. Council also confirmed its councillor portfolios as follows:

Memberships / Delegation	Councillor
Appeals on Regional Plan	Cr A Macdonald
Kaipara Moana Working Party	Cr T Shortland and Cr P Jones
Northland Conservation Board	Cr G Crawford
Northland Sports Facilities Plan (Sport Northland)	TBA at such time Sport Northland has confirmed its governance arrangements.
Shareholder representative for Northland Marsden Maritime Holdings Ltd <i>(delegating all necessary authority to represent the council's interest including but not limited to exercising council's vote at Annual General Meetings and giving effect to council's shareholder resolutions).</i>	Cr T Shortland
Shareholder representative for Northland Inc Ltd <i>(Delegating all necessary authority to represent the council's interest including but not limited to exercising the council's vote at Annual General Meetings and giving effect to council's shareholder resolutions)</i>	Cr P Jones
Shareholder representative on Regional Software Holdings Ltd. <i>(Delegating all necessary authority to represent the council's interest including but not limited to exercising the council's vote at Annual General Meetings and giving effect to council's shareholder resolutions)</i>	Cr T Shortland
Upper North Island Strategic Alliance (UNISA)	Cr T Shortland
Zone one (LGNZ)	Cr T Shortland

Since the original appointments were made there have been significant changes to governance arrangements including:

- All appeals on the Proposed Regional Plan have now been resolved and all consent orders issued by the Court. Therefore this portfolio is no longer required.
- Sport Northland has confirmed its new governance structure and NRC no longer requires a portfolio holder for the Northland Sports Facilities Plan.
- Councillor Shortland replaced Councillor Jones as one of NRC's two members on the Joint Regional Economic Development Committee (in conjunction with Councillor Robinson). This was confirmed at the 28 February 2023 council meeting. Therefore it is timely for council to consider who is the appropriate Shareholder representative for Northland Inc. Limited.
- The council voted to make governance leadership and structure changes at the 28 November 2023 council meeting. One of the proposed changes was the merging of the Audit and Risk Subcommittee and the Investment and Property Subcommittee (addressed in the previous item). Another significant change was that Councillor Crawford was appointed the new Chair of the Regional Council following the resignation of Councillor Shortland from this role.

It is noted that the following portfolios were originally assigned in name to Councillor Shortland to reflect the role of Chair of council and therefore need to be reassigned to the new Chair:

- Shareholder representative for Northland Marsden Maritime Holdings Ltd;
- Shareholder representative on Regional Software Holdings Ltd;

- Upper North Island Strategic Alliance (UNISA); and
- Zone one (LGNZ).

This matter is now set down for formal consideration.

Attachments/Ngā tapirihanga

Nil

TITLE: Review of Elected Members' Remuneration

From: Chris Taylor, Governance Specialist

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager: 08 February 2024

Executive summary/Whakarāpopototanga

This report gives effect to the Notice of Motion that was passed at the 28 November 2023 council meeting stating:

‘That the current NRC councillor remuneration package is reviewed, with a view to council agreeing on an improved remuneration structure and package at the next council meeting.’

Formal approval of the revised remuneration arrangements is sought by council prior to a proposal being submitted to the Remuneration Authority for consideration and, on approval, will be included in their next Determination. It is important to note that the revised proposal must be lodged with the Remuneration Authority prior to 23 February 2024 for it to be included in the next Determination due to be issued late March 2024 (*hence the basis for calling an extraordinary council meeting to consider this and the previous matters which are all interdependent*).

If council misses this deadline, then the next available opportunity will be when the Remuneration Authority issues its next Determination late June 2024.

Recommendations:

1. That the report ‘Review of Elected Members' Remuneration’ by Chris Taylor, Governance Specialist and dated 5 February 2024, be received.
2. That based on the allocation of responsibilities and methodology outlined in the body of this report, council approves and recommends the following distribution of the governance remuneration pool to the Remuneration Authority as follows:

Office	Positions	Remuneration (\$)	Total (\$)
Deputy Chairperson	1	80,619	80,619
Chairperson of the Regional Transport Committee and Chairperson of the Infrastructure Committee	1	73,619	73,619
Chairperson of the Audit Risk and Finance Committee	1	71,819	71,819
Chairperson of the Whangarei Public Transport Working Party	1	72,419	72,419
Councillor with no additional responsibilities	4	70,618.5	282,475
Total	8		580,951

3. That the higher duties allocation set out above and the necessary supporting information be provided to the Remuneration Authority prior to 23 February 2024.

Options

No.	Option	Advantages	Disadvantages
1	Approve the revised remuneration arrangements based on Methodology One.	<ul style="list-style-type: none"> • The remuneration arrangements more accurately reflect the revised governance arrangements and additional positions of responsibility. • Methodology One is consistent with council's current approach whereby a \$10k higher duties allowance is allocated to the Deputy Chair. It also recognises the additional responsibilities of the Chairs of Committees and Working Parties by applying a \$300 meeting fee. 	<ul style="list-style-type: none"> • None-apparent
2	Approve the revised remuneration arrangements based on a different methodology.	<ul style="list-style-type: none"> • There are many different methodologies that could be applied. The advantages and disadvantages of each would need to be assessed. For example the greater the quantum of higher duties allowances for roles of additional responsibility the smaller the amount available to be distributed for councillors on a base 	<ul style="list-style-type: none"> • As per advantages.

		salary; and vice versa.	
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The staff's recommended option is one given this is most consistent with council's current methodology for the allocation of the governance remuneration pool.

Considerations

Given that this is an administrative matter, climate impact, environmental impact and Māori impact statement are not directly relevant.

1. Community views

It is unknown whether there are any particular views within the community regarding the distribution of elected members' remuneration. Some members of the public may not be aware that the Remuneration Authority sets the governance remuneration pool for each council and it is then for each council to then provide a proposal how it best be distributed to reflect its governance arrangements.

2. Financial implications

There are no financial implications in the sense that the total governance pool remains unchanged. Depending on the methodology approved by council, individual councillor's salaries will be adjusted according to the new remuneration arrangements.

3. Implementation issues

Following a resolution of council regarding the methodology for the revised remuneration arrangements, staff will collate the necessary information in order to lodge a revised proposal with the Remuneration Authority prior to the 23 February 2024 deadline.

Subject to the Remuneration Authority's approval and inclusion of the revised remuneration arrangements in the next determination, the new remuneration rates will be backdated and will take effect from the day after the day on which the remuneration arrangements were confirmed by council resolution.

4. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because it is an administrative matter and is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

5. Policy, risk management and legislative compliance

This report gives effect to the Local Government Act 2002 and the role of the Remuneration Authority to set the governance remuneration pool for each council.

Background/Tuhinga

The Local Government Act 2002 stipulates that the Remuneration Authority must set the remuneration, allowances and expenses of:

- Mayors;
- Regional Chairs; and
- Other local government members on local authorities including local and community boards.

The Remuneration Authority reviews the remuneration settings for local government every three years. This includes assessment of each council's place on its appropriate size index (i.e. regional, unitary or territorial index) and the issuing of revised indices, plus decisions on each council's governance remuneration pool, the remuneration of the Chair (Mayor) and minimum allowable councillor remuneration for each council.

At the beginning of the triennium the new council is required to make decisions about the allocation of its governance remuneration pool and in particular their positions of responsibility and consequential remuneration, and on the remuneration for councillors with no additional positions of responsibility. The governance pool is intended to reflect the size of the total governance roles of any particular council rather than the number of councillors.

Important aspects of the pool system are:

- Positions that council decides to remunerate may include those on outside groups to which a councillor has been formally appointed by council - i.e. the remuneration is not necessarily solely attached to official council committees. Councillors are expected to be involved in a variety of community and cross-council groups as part of their basic role but, in some cases, if the extra work involved is extraordinary it can be recognised in remuneration.
- Councils MUST allocate the entire remuneration pool available. The quantum for each council has been set by the Remuneration Authority following a comprehensive review of the relative size of workloads of all councils and it is therefore expected that the available remuneration will not be withheld.
- Councillors who participate in Resource Management Act (RMA) or other such hearing processes are remunerated separately from this pool.

For the last two trienniums the Northland Regional Council has operated on the fundamental principle of an equal workload amongst elected members. In the current triennium the council formally considered remuneration and the allocation of the governance pool at its meeting on 22 November 2022 and resolved:

11. *That based on the allocation of responsibilities outlined in the body of this report and Attachment One "Proposed New Governance Structure for the 2022-2025 Triennium", that the pool for higher duties allowance of \$580,951 be fully allocated as follows:*
 - a) *That the Deputy Chair receives a higher duties allowance of \$10,000, bringing the Deputy Chair total salary to \$81,368.88.*
 - b) *That remaining councillors receive a higher duties allowance of \$17,658.88 each, bringing councillors total salary to \$71,368.88. This is based on the underpinning principle of council that additional duties will be apportioned in such a manner that there will be an equitable workload between councillors.*

In the same manner, an extract from NRC's submission to the Remuneration Authority on the distribution of the remuneration pool and allocation of additional duty funds is as follows:

'The Northland Regional Council continues to support the following key principles to maintain unity amongst its elected members and ensure a high performing team throughout the triennium:

- It is important to distribute work in an equitable manner amongst elected members;
- The council's complex governance structure incorporates the full ambit of structures to support participatory decision making (including but not limited to committees, subcommittees, working groups and portfolio holders) which only serves to stress the importance of apportioning work in an equitable manner;
- Councillors are passionate about actively representing their region and participating where they can add value; and
- Equitable distribution of workload and remuneration for additional duties has functioned well to date, is a good reflection of council's operations and it is the preference of council to retain this formula.'

NRC elected members voted to make governance leadership and structure changes at the November 2023 council meeting which means the fundamental principle of equal workload is no longer valid. This was also supported by a Notice of Motion 'That the current NRC councillor remuneration package is reviewed, with a view to Council agreeing on an improved remuneration structure and package at the next Council meeting.'

The following membership table summarises the revised distribution of roles and responsibilities (based on the assumption that the membership of the new Infrastructure Committee and Audit Risk and Finance Committee and councillor portfolios as presented in the previous items are approved unchanged):

Councillors/Members	Committees		Working Parties				Joint Committees				Other						
	PLI Council	Audit Risk and Finance Committee	Infrastructure Committee	Natural Resources	Tū Tākekorau Māori + Council	Biosecurity & Biodiversity	WDC/NRC Transport Joint	Tū Oharora A. Toke	Civil Defence	Regional Transport	Joint Climate Change Adaptation	Kaitiaki Moana Remediation	Joint Regional Economic Devel	Community working groups	Portfolios		
Geoff Crawford (Chair)	●	CO	x	x	x	●			x					1	4	Geoff Crawford (Chair)	
Tui Shortland (Deputy Chair)	x (DEPT)			●	Φ				ALT					x	0	1	Tui Shortland (Deputy Cha
John Blackwell	x	x	x	x	x	x			x (DEPT CHAIR)	x	x				1		John Blackwell
Joe Carr	x	x	●	x	x	x	x		●						2 (+ 2 ALT)		Joe Carr
Jack Craw	x	x			x	●					x				1		Jack Craw
Peter-Lucas Jones	x	●			x		x		ALT						1 ALT	2	Peter-Lucas Jones
Amy Macdonald	x				x						x				0	0	Amy Macdonald
Marty Robinson	x				x	x									1 (+ 1 ALT)		Marty Robinson
Rick Stolwerk	x				x		x								1		Rick Stolwerk
Independent Consultant (Advisor only non-voting)		ψ															Independent Consultant
Independent Risk Advisor		ψ															Independent Risk Advisor
TTMAC Co-Chair						Φ											TTMAC Co-Chair
TTMAC member 1				x	20	x											TTMAC Member 1
TTMAC member 2				x		x											TTMAC Member 2
TTMAC member 3				x		x											TTMAC Member 3
TTMAC member 4				x		x											TTMAC Member 4
TTMAC member 5																	TTMAC Member 5
Tangata Whenua Member	2	2	2														Tangata Whenua Member
Iwi Representative														1			Iwi Representative
WDC Councillors							3		1	1	1						WDC Councillors
FNDC Councillors								2	1	1	1			2			FNDC Councillors
KDC Councillors									1	1	1			2			KDC Councillors

The Remuneration Authority states the following (refer to <https://www.remauthority.govt.nz/local-government-members/governance-remuneration-pool/#proposals-for-changes-during-council-term-7>) :

Proposals for changes during council term

The Authority will consider proposals made to it by councils requesting new arrangements that impact on the remuneration of local government members and will either issue an amending determination or consult further with these councils.

All proposals must be submitted to the Authority regardless of the additional level of remuneration proposed. The Authority expects councils to consider their full work programme for the triennium when making proposals following elections.

The Authority considers proposals for changes as they are received. The process of developing and producing a determination generally takes up to three months to complete as the drafting has to be peer reviewed by the Parliamentary Counsel Office and the determination is then published in the New Zealand Gazette.

In all cases where there is a change, councils need to wait till an amendment determination is gazetted by the Authority before they can make the changes to their local government members' remuneration. However, all amendments (including adjustments to annual remuneration) are generally effective on and from the day after the day on which the council confirmed the position(s) of responsibility and the associated remuneration. Amendments are backdated in the amending determination to the effective date.

The Authority will accept proposals from councils no later than three months (normally 31 March) before the expiry of the principal determination (normally 30 June).

The next amending determination, if required, is scheduled to be issued by the Authority in late March 2024. Proposals for changes from councils to be included in this amending determination will not be accepted after 24 February 2024.

Context

NRC's current distribution of its remuneration pool (\$714,843) is as follows (as per the Local Government Members (2023/24) Determination 2023

<https://www.legislation.govt.nz/regulation/public/2023/0142/latest/LMS859909.html#LMS860388>):

Northland Regional Council

Office	Annual remuneration (\$)
Chairperson	133,892
Regional Council Deputy Chairperson	81,368
Councillor with additional responsibilities	71,369
Councillor (minimum allowable remuneration)	53,710

It should be noted that the Remuneration Authority states:

Requests to increase total governance remuneration pool

A council cannot generally make a request for an increase in the size of its governance remuneration pool if it considers that it is not sufficient to meet needs. However, under extraordinary circumstances (for example following a major natural disaster) the Authority might agree to an increase.

Of the 11 Regional Councils, three base their remuneration on an equal workload and eight have apportioned their governance pool according to positions of additional responsibility. Southland and Taranaki are provided as two examples of this latter arrangement:

Southland Regional Council

Office	Annual remuneration (\$)
Chairperson	129,434
Deputy Chair and Chair of Regional Transport Committee	63,265
Chair, Strategy and Policy Committee	58,746
Chair, Regulatory Committee	54,228
Chair, Regional Services Committee	54,228
Chair, Finance and Performance Committee	54,228
Councillor with no additional responsibilities	45,190
Councillor (minimum allowable remuneration)	37,788

Taranaki Regional Council

Office	Annual remuneration (\$)
Chairperson	112,227
Regional Council Deputy Chairperson	54,526
Chairperson of Policy and Planning Committee	54,526
Chairperson of Operations and Regulatory Committee	54,526
Chairperson of Executive, Audit and Risk Committee	54,526
Chairperson of Regional Transport Committee	44,140
Chairperson of Taranaki Solid Waste Management Committee	44,140
Chairperson of Yarrow Stadium Joint Committee	44,140
Taranaki Regional Council Agriculture Portfolio Holder	44,140
Councillor with no additional responsibilities	39,466
Councillor (minimum allowable remuneration)	37,493

Potential Methodologies

Each council that has apportioned their governance pool according to positions of additional responsibility has developed its own methodology and there are many different ways this can be done. Council informally discussed the review of elected members’ remuneration at a workshop held on 30 January 2024. At this time council considered four different methodologies as follows:

Methodology	Summary
Methodology 1	<ul style="list-style-type: none"> Apply a set meeting fee (\$300) for the Chair of each committee and working party.¹ Set a \$10k higher duties allowance for the Deputy Chair of council (applying NRC’s current methodology). In doing so, the Deputy Chair is not eligible for additional meeting fees if the Chair of committees or working parties (this is taken into account in the Deputy Chair additional remuneration). Remainder of pool allocated to all councillors, excluding the Chair, over and above the minimum allowable remuneration set by the Remuneration Authority. To note, council could approve a different quantum for the higher duties allowance for the Deputy Chair if it believes it more accurately reflects the higher duties of the Deputy Chair.

¹ It is suggested that the Chair/Co-Chair of NRC’s subcommittees, joint committees, working parties (other than the Chair of council whose remuneration is set by the Remuneration Authority and the Deputy Chair of council when a specific methodology is applied to determine remuneration) is remunerated a daily allowance of \$300 per meeting – based on the scheduled number of meetings for the year. The value of this allowance is commensurate with provisions in NRC’s Non-Elected Members Allowances Policy which states that council will pay a maximum daily meeting (workshop) allowance of \$300 for chairs or co-chairs.

<p>Methodology 2</p>	<ul style="list-style-type: none"> • Apply a set meeting fee (\$300) for the Chair of each committee and working party. • Don't provide set a specific higher duties allowance for the Deputy Chair but rather apply the set meeting fee (\$300) for the Chair/Co-Chair of committees and working parties and (\$100) for council meetings. • Remainder of pool allocated to all councillors, excluding the Chair, over and above the minimum allowable remuneration set by the Remuneration Authority.
<p>Methodology 3</p>	<ul style="list-style-type: none"> • Apply a set meeting fee (\$300) for the Chair of each committee and working party. • Set a \$10k higher duties allowance for the Deputy Chair of council. The Deputy Chair is also eligible for the set meeting fee (\$300) when the Chair/Co-Chair of committees and working parties. • Remainder of pool allocated to all councillors, excluding the Chair, over and above the minimum allowable remuneration set by the Remuneration Authority.
<p>Methodology 4 – 'The Waikato Model'</p>	<ul style="list-style-type: none"> • The Deputy Chairperson of council position at base salary plus 30%, hence is not eligible for additional meeting fees to reflect other Chair/Deputy Chair roles. • The Committee Chairperson (A) positions as base salary plus 20%. For this example we have equated this to NRC Committee Chairs. • The Committee Chairperson (B) positions as base salary plus 15%. For this example we have equated this to NRC Working Party Chairs. • The Deputy Chairpersons of committees at base salary plus 3%. • Remainder of pool allocated to other councillors (over and above the minimum allowable remuneration set by the Remuneration Authority).

Should the higher duties allowances not sufficiently recognise the additional duties, council may wish to consider increasing the Deputy Chair's allowance of \$10,000 and/or may wish to increase the meeting allowances for Chairs from \$300 to a higher figure.

This matter is now set down for formal consideration.

Attachments/Ngā tapirihanga

Attachment 1: Calculations of elected members' remuneration applying different methodologies [↓](#)





Methodology 1

Northland Regional Council

Office	Annual remuneration(\$)
Chairperson	\$133,892 (set by Rem Authority)
Regional Council Deputy Chairperson	\$80,619 (\$X + \$10k)
Chairperson of Regional Transport Committee and Infrastructure Committee	\$73,619 (\$X + \$1800 + \$1200)
Chairperson of Audit Risk and Finance Committee	\$71,819 (\$X + \$1200)
Chair of Whangarei Public Transport Working Party	\$72,419 (\$X + \$1800)
Councillor with no additional responsibilities	\$70,618.75 (\$X)
Councillor (minimum allowable remuneration)	\$53,710

Methodology 2

Secretarial Note:

- In this scenario the Deputy Chair of council holds the following roles of additional responsibility:
 - Chair of Natural Resources Working Party (four meetings a year = \$1,200)
 - Co-Chair of TTMAC (five meetings and six hui a year = \$3,300)
 - Deputy Chair of council (11 meetings a year = \$1,100)

Northland Regional Council

Office	Annual remuneration(\$)
Chairperson	\$133,892 (set by Rem Authority)
Regional Council Deputy Chairperson	\$76,769 (\$X + \$5,600)
Chairperson of Regional Transport Committee and Infrastructure Committee	\$74,169 (\$X + \$1800 + \$1200)
Chairperson of Audit, Risk and Finance Committee	\$72,369 (\$X + \$1200)
Chair of Whangarei Public Transport Working Party	\$72,969 (\$X + \$1800)
Councillor with no additional responsibilities	\$71,168.75 (\$X)
Councillor (minimum allowable remuneration)	\$53,710

Methodology 3

Northland Regional Council

<i>Office</i>	<i>Annual remuneration(\$)</i>
Chairperson	\$133,892 (set by Rem Authority)
Regional Council Deputy Chairperson	\$84,556 (\$X + \$14,500)
Chairperson of Regional Transport Committee and Infrastructure Committee	\$73,056 (\$X + \$1800 + \$1200)
Chairperson of Audit, Risk and Finance Committee	\$71,256 (\$X + \$1200)
Chair of Whangarei Public Transport Working Party	\$71,856 (\$X + \$1800)
Councillor with no additional responsibilities	\$70,056.75 (\$X)
Councillor (minimum allowable remuneration)	\$53,710

Methodology 4 – ‘The Waikato Model’

Northland Regional Council

<i>Office</i>	<i>Annual remuneration(\$)</i>
Chairperson	\$133,892 (set by Rem Authority)
Regional Council Deputy Chairperson	\$83,175 (\$X x 1.3)
Chairperson of Regional Transport Committee and Infrastructure Committee (A x2)	\$89,573 (\$X x 1.4)
Deputy Chairperson of Regional Transport Committee	\$65,900 (\$X x 1.03)
Chairperson of Audit, Risk and Finance Committee (A)	\$76,777 (\$X x 1.2)
Chair of Whangarei Public Transport Working Party (B)	\$73,578 (\$X x 1.15)
Councillor with no additional responsibilities	\$63,982.67 (\$X)
Councillor (minimum allowable remuneration)	\$53,710