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## **Review of Community Boards by the Remuneration Authority**

**April 2019**

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### **Introduction**

1. Over the past year the Remuneration Authority (the Authority) has looked at Community Boards, especially at their basic legal functions and responsibilities and any functions delegated by councils. We would like to thank the councils for their replies to our request for information about the costs of and delegations to their community boards.
2. In addition to responsibilities, we also looked at the population served by each community board and the remuneration currently paid to board members.
3. This report is a brief overview of the issues we covered within our limited time and resources. We acknowledge there may be other issues that we did not consider.
4. It is our strong view that an appropriate central government agency should use this and other information to examine in detail community boards and the disparities between them in terms of roles and representation, as well as the implications of their existence in some councils but not in others.

### **Approach**

5. This work followed a review undertaken in the previous two years on the councils themselves, which resulted in us creating a new size index for councils and adjusting pay accordingly. When the Authority introduced the new size index we looked at the total governance responsibilities of each council then ranked the councils to determine the “size” of the governance role and consequently what we called total “governance cost” for each council. The total governance cost was the remuneration of the mayor (or regional council chair) and all councillors. We did not include any costs of servicing elected members. In this paper focussing on community boards we are calling this number “total remuneration cost”.
6. Our original objective was to have the size of the governance responsibilities for a council as a whole (including community boards) reflected in the total governance costs (or remuneration) of all those exercising governance functions, including community board members.

### **Number of Community Boards**

7. Forty of New Zealand’s 67 territorial authorities have community boards. As we noted in our information paper of 30 June 2018 “the circumstances that have led to councils of the same size having different numbers of councillors are in some cases similar to those that have led to the apparently random formation of community boards”.
8. It appears that community boards were set up for the following reasons:
  - In 1989 when smaller local government units were being amalgamated, communities that previously had their own council were given a community board instead.
  - The same legislation required councils with a population of over 20,000 to establish community boards, a requirement abolished two years later.

9. The number of community boards has actually decreased from 144 in 2008<sup>1</sup> to 108 in 2019, though there is no evidence as to why this trend has occurred.
10. According to the latest population statistics to which we had access, it appears that the majority of councils with community boards do not have them for all communities/suburbs. In fact we estimate that this is the case with the majority, with only nine territorial authorities having community boards for the whole of their area. Some have community board coverage for only a small proportion of the population. We assume that this includes councils where the boards were established as a result of previous amalgamations or where there are rural communities which may be perceived as isolated from the main town. In some cases both these reasons pertain. If any further research is undertaken by a central government agency, this issue could be the subject of examination – i.e. triangulating the existence of community boards with other factors.
11. We are also aware that some territorial authorities recognise other forms of community representation alongside community boards.
12. Overall, the picture is totally inconsistent across the country. If the boards are representing isolated rural communities, the case for their existence for those particular communities may be strong. However, when the board represents a suburban area, we question whether it is appropriate today that two similar suburbs in the same city have such uneven political representation, regardless of the historic genesis of any particular board.

### **Population**

13. The average population for community boards is 9,900. However, the populations represented by community boards have an enormous range, from 340 (Ratana Board in Rangitikei) and 400 (Kawhia in Otorohanga) to 79,600 (Halswell-Hornby-Riccarton in Christchurch City). In the smallest and biggest examples, the four members of the Ratana Board are each representing 85 people, while the six members of the Halswell-Hornby-Riccarton board each represent well over 13,000. By any benchmark, this is a perplexing situation. We have assumed that the Ratana board exists because of rural isolation but, nevertheless, feel that for such a small population there would need to be exceptionally strong justification for a board of this nature – established under statute and with in-built governance costs. We note that there are a further eight boards representing populations of 1,000 or fewer residents, and a total of twelve, including six of the seven Christchurch boards, representing 20,000 people or more. The graph in [Appendix One](#) shows the differences in the populations of community boards.

### **Current Remuneration**

14. When we looked at the remuneration costs of community boards we found startling differences between boards. [Appendix Two](#) is a chart showing the annual remuneration of community board members sorted in \$2,000 bands.
15. The highest total remuneration cost per capita (per head of population as at 30 June 2017) of the community represented was \$76.62 (Strath Taieri in Dunedin City) and the lowest was

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<sup>1</sup> Callum Hammond and David Hammond 2018: Serving New Zealand? A 2018 Survey of Community Boards P3

\$1.66 (Paraparaumu-Raumati in Kapiti Coast District). We assumed this might indicate some economies of scale on the part of the larger board because Paraparaumu-Raumati services the seventh largest population after the six big Christchurch boards, while Strath Taieri has the sixth-smallest population (670). The board with larger populations are certainly clustered at the lower end of the cost scale and those with the smaller numbers at the higher end. Nevertheless there are some exceptions. Strath Taieri is definitely an outlier, with the next highest cost per capita being \$36.68 (Makara-Ohariu in Wellington City with a population of 900). The average remuneration is \$8.95 per capita of population represented.

16. Appendix Three is a chart showing the remuneration of community board members sorted by cost per capita, while Appendix Four shows the details for each board.

### **Number of Members**

17. Community boards are required by law to have between four and twelve members. Most have between four and six members, with only half a dozen having seven to nine members.

### **Functions/delegations**

18. Section 52 of the Local Government Act specifies very clearly the basic role of community boards:

*The role of a community board is to—*

- a) represent, and act as an advocate for, the interests of its community; and*
- b) consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board; and*
- c) maintain an overview of services provided by the territorial authority within the community; and*
- d) prepare an annual submission to the territorial authority for expenditure within the community; and*
- e) communicate with community organisations and special interest groups within the community; and*
- f) undertake any other responsibilities that are delegated to it by the territorial authority.*

19. Section 53 of the act specifies potential powers:

- (1) A community board has the powers that are—*
  - a) delegated to it by the relevant territorial authority in accordance with clause 32 of Schedule 7; or*
  - b) prescribed by the Order in Council constituting its community.*
- (2) The powers of a community board prescribed by Order in Council expire at the close of 6 years after the order comes into force.*
- (3) Despite subsection (1), a community board may not—*
  - a) acquire, hold, or dispose of property; or*
  - b) appoint, suspend, or remove staff.*

20. Under the scenario we were exploring as part of our overall local government review, a high level of delegation from a council would necessarily mean that those councillors were paid relatively less from the total council governance pool and the community board members relatively more than would occur under a low level of delegation. We requested information from councils on their level of delegations and it became clear in reading the material that although many had just the legal functions, there were major differences amongst those

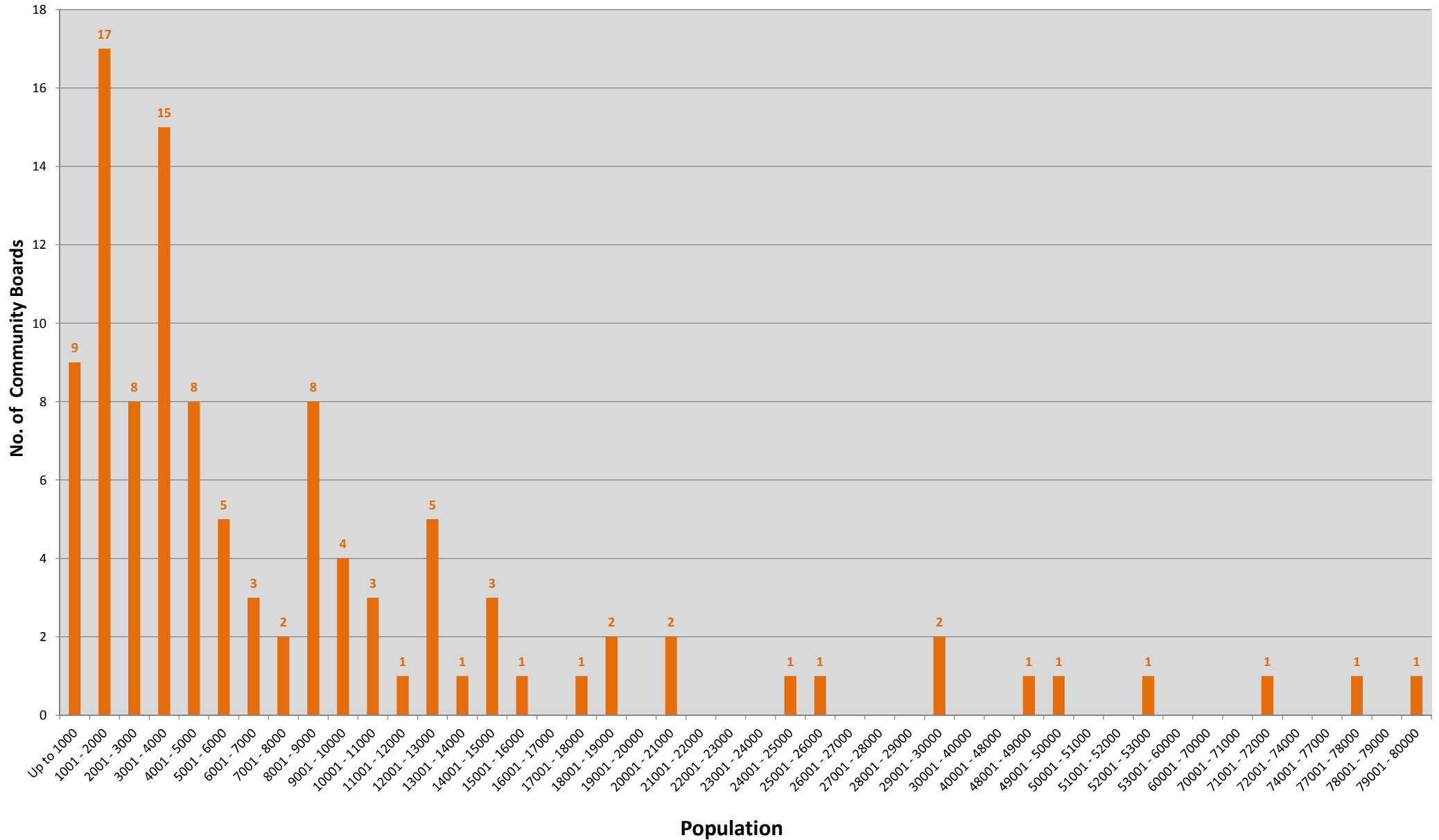
with delegations. Some had been delegated significant functions akin to some of those exercised by Auckland Local Boards. We concluded that for us to be able to reflect the different realities in a formula would require a significant commitment of research and enquiry beyond the resource of the Authority. Even then there are cases where two or more apparently similar delegations are subtly different and measuring these differences would be a major challenge.

## Conclusions

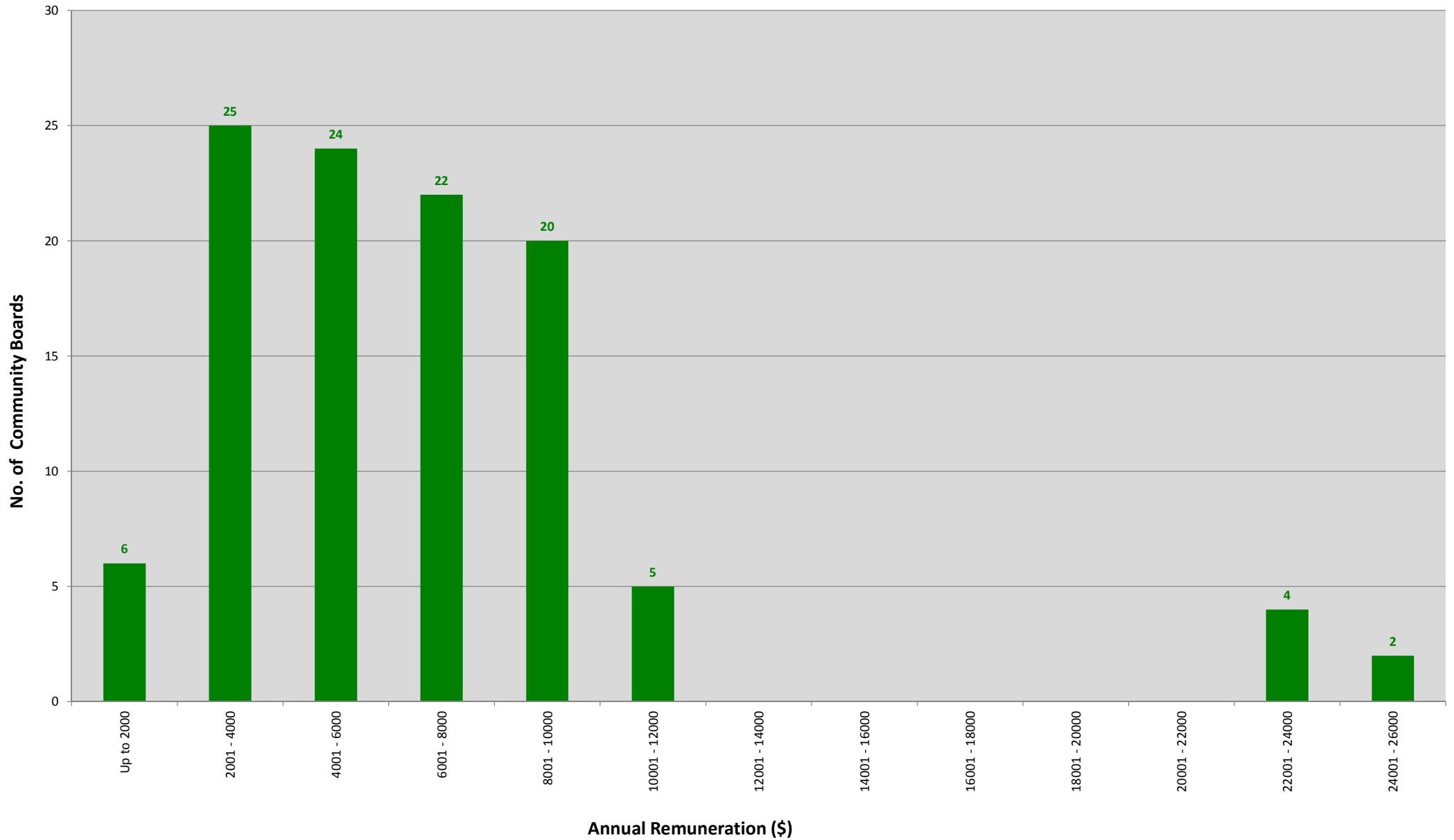
21. The data we received indicates such massive variances in roles and powers, in per capita representation and in cost that we have been unable to rank the community boards in any sensible order. As a result we have decided that for the time being we will have difficulty creating a reasonably robust and intuitively sensible index that could be incorporated into the overall framework of our approach to councils. We have therefore decided to continue to determine the remuneration of community board members by allocating in most cases across-the-board percentage increases as a general approach in the foreseeable future.
22. We consider that this is unfortunate for two reasons: one is that it is clear that some boards are carrying considerably higher burdens of decision-making than others; the second is that it does not enable us to make a judgement as to the overall “governance costs” of a complete council governance apparatus (i.e. all elected members - council and community boards, if they exist) which is the approach we have taken to sizing and ranking the councils themselves. As a result of this second issue, ratepayers with councils that have community boards will continue to pay more for their “governance costs” than those without.
23. Nevertheless, we consider that some boards are costing their ratepaying communities too much and we will restrain increases in their remuneration for the time being.
24. Notwithstanding the above approaches, there is obviously a minimum level of remuneration even for smaller boards representing tiny populations. Members of those boards need fair payment, even if it were just considered a meeting attendance fee, so for this reason we have made small adjustments to the lowest paid group to ensure that the minimum per annum is \$2,000 before tax.
25. As noted above, some councils have delegated considerable powers and functions to their community boards. Some are also in the process of increasing delegations. Within our available resource we will be looking at the delegations of a small number of such community boards over the next year or so but cannot at this stage commit to any change of approach in determining remuneration. However, as mentioned in our information paper of 30 June 2018, if councils with community boards propose to increase the remuneration of their community board members, the additional funds will come out of the councils’ governance pools.
26. Overall we consider that it is timely for a central government agency to review the functions, representation levels and associated characteristics of community boards (including the fact that not all councils have such boards), with a view to legally mandating some changes to provide fairness and consistency to ratepayers between and within councils, while acknowledging the value of the work of the community board members themselves. It is important to note that in this whole issue, the councils which do not have any community

boards should have the same level of consideration as those that do, because councillors in the non-community board councils are delivering the full suite of services that in other councils are divided between councillors and community board members.

# Appendix One: Population Per Community Board

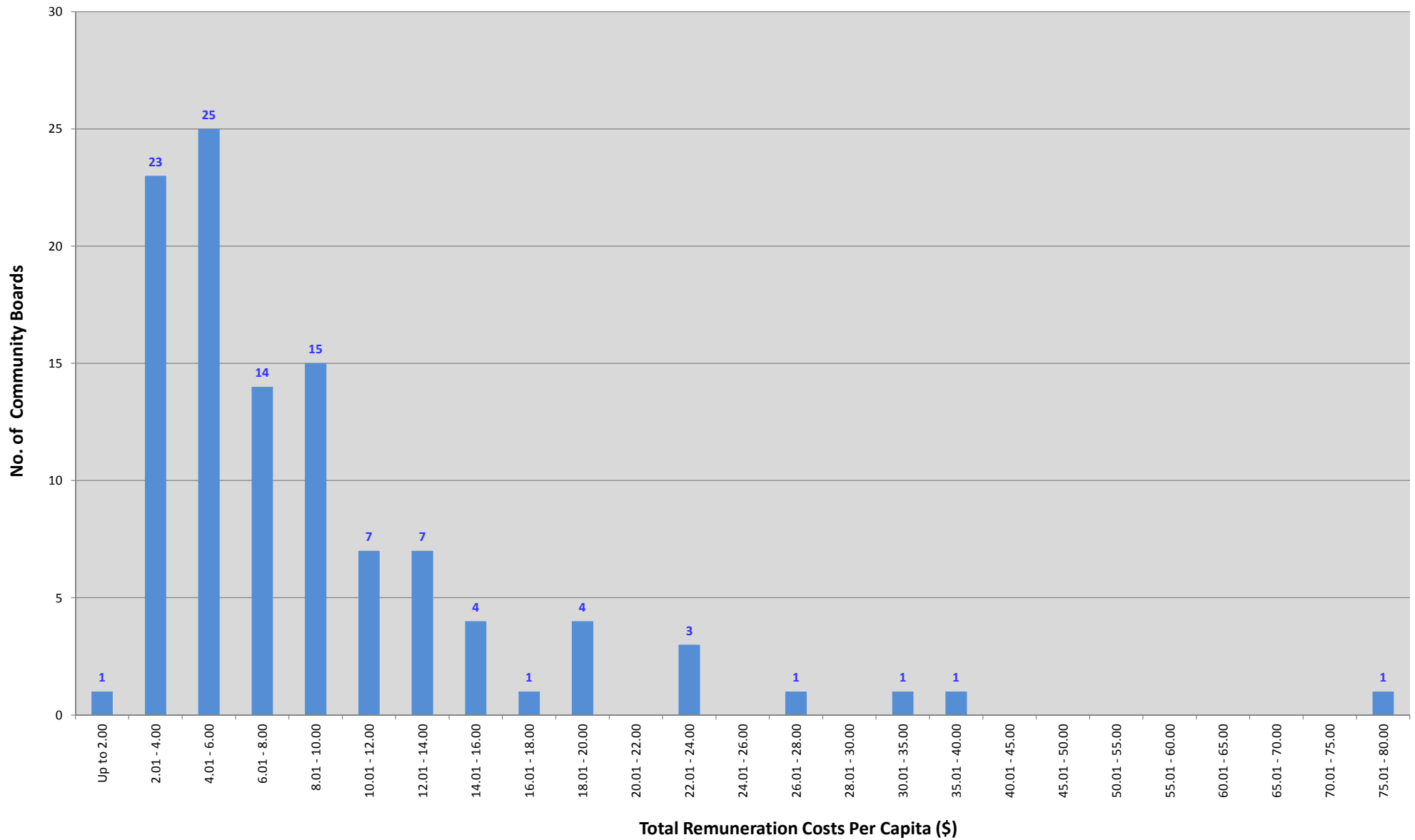


## Appendix Two: Annual Remuneration Of Community Board Members





## Appendix Three: Total Remuneration Costs Per Capita Per Community Board



## Appendix Four: Community Boards 2019 - Sorted by Total Remuneration Cost Per Capita (largest to smallest)

Council	Community Board	Population as at 30 June 2018	Number of Members (incl Chair)	Population per CB Member	Annual Remuneration from 1 July 2018		Total Remuneration Cost to Council \$	Total Remuneration Cost per Capita \$	
					Chair \$	Member \$			
1	Dunedin	Strath Taieri	670	6	112	14,669	7,334	51,338	76.62
2	Wellington	Makara-Ohariu	900	6	150	9,429	4,716	33,012	36.68
3	Rangitikei	Ratana	340	4	85	4,253	2,126	10,630	31.26
4	Waitaki	Ahuriri	1,310	5	262	11,639	5,820	34,920	26.66
5	Otorohanga	Kawhia	400	4	100	3,828	1,914	9,570	23.93
6	Mackenzie	Tekapo	410	4	103	3,828	1,914	9,570	23.34
7	Southland	Stewart Island/Rakiura	430	6	72	2,751	1,376	9,632	22.40
8	Hurunui	Hanmer Springs	1,250	5	250	7,868	3,934	23,604	18.88
9	Waikato	Taupiri	510	6	85	2,737	1,369	9,583	18.79
10	Southland	Otautau	1,380	6	230	7,406	3,704	25,928	18.79
11	Opotiki	Coast	1,610	5	322	9,782	4,891	29,346	18.23
12	Clutha	Lawrence-Tuapeka	1,150	6	192	5,714	2,857	19,999	17.39
13	Waitaki	Waihemo	2,360	5	472	11,850	5,926	35,556	15.07
14	Thames-Coromandel	Tairua-Pauanui	2,590	4	648	15,406	7,703	38,515	14.87
15	Dunedin	Waikouaiti	3,720	6	620	15,716	7,858	55,006	14.79
16	Southland	Riverton/Aparima	1,580	6	263	6,560	3,280	22,960	14.53
17	Ruapehu	National Park	1,120	4	280	5,742	2,870	14,350	12.81
18	Dunedin	Otago Peninsula	4,540	6	757	15,925	7,963	55,741	12.28
19	Tararua	Eketahuna	1,520	4	380	7,406	3,704	18,520	12.18
20	Thames-Coromandel	Coromandel-Colville	3,170	4	793	15,406	7,703	38,515	12.15
21	Otorohanga	Otorohanga	2,890	4	723	14,034	7,018	35,090	12.14
22	Invercargill	Bluff	2,090	5	418	8,423	4,211	25,266	12.09
23	Western BOP	Maketu	1,190	4	298	5,713	2,857	14,285	12.00
24	Taupo	Turangi-Tongariro	5,000	6	833	16,506	8,253	57,771	11.55
25	New Plymouth	Clifton	2,790	4	698	12,213	6,107	30,535	10.94
26	Mackenzie	Fairlie	910	4	228	3,828	1,914	9,570	10.52
27	Rotorua	Rotorua Lakes	4,010	4	1,003	16,468	8,235	41,175	10.27
28	Kapiti Coast	Paekakariki	1,900	4	475	7,791	3,896	19,480	10.25
29	Clutha	West Otago	2,330	6	388	6,772	3,386	23,702	10.17
30	Southland	Tuatapere	1,530	6	255	4,444	2,223	15,561	10.17
31	Southland	Te Anau	3,730	6	622	10,580	5,290	37,030	9.93
32	Dunedin	West Harbour	5,710	6	952	16,135	8,068	56,476	9.89
33	Central Otago	Teviot Valley	1,750	4	438	6,772	3,386	16,930	9.67
34	Whakatane	Murupara	3,250	7	464	7,830	3,915	31,320	9.64
35	Southland	Wallacetown	1,000	6	167	2,751	1,376	9,632	9.63
36	Southland	Winton	3,340	6	557	9,099	4,550	31,850	9.54
37	Thames-Coromandel	Whangamata	4,450	4	1,113	16,781	8,390	41,950	9.43
38	Central Otago	Maniototo	1,820	4	455	6,772	3,386	16,930	9.30
39	Tasman	Golden Bay	3,500	4	875	12,846	6,423	32,115	9.18
40	Buller	Inangahua	1,960	4	490	7,018	3,509	17,545	8.95
41	Christchurch	Banks Peninsula	8,710	7	1,244	19,342	9,670	77,360	8.88
42	Dunedin	Saddle Hill	6,630	6	1,105	16,135	8,068	56,476	8.52
43	Ashburton	Methven	1,880	5	376	5,290	2,646	15,876	8.44
44	Mackenzie	Twizel	1,460	4	365	4,891	2,445	12,225	8.37
45	Timaru	Pleasant Point	3,110	5	622	8,464	4,233	25,398	8.17
46	Hutt	Eastbourne	5,030	5	1,006	13,266	6,633	39,798	7.91
47	Horowhenua	Foxton	4,720	5	944	12,273	6,137	36,822	7.80
48	Whanganui	Whanganui Rural	5,830	7	833	11,004	5,502	44,016	7.55
49	Gore	Mataura	1,610	5	322	4,041	2,020	12,120	7.53
50	Whakatane	Taneatua	3,740	6	623	7,830	3,915	27,405	7.33



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					Chair \$	Member \$			
51	South Waikato	Tirau	2,360	4	590	6,560	3,280	16,400	6.95
52	South Taranaki	Eltham	4,190	4	1,048	11,639	5,820	29,100	6.95
53	South Taranaki	Patea	3,980	4	995	10,792	5,397	26,985	6.78
54	Waikato	Raglan	4,490	6	748	8,634	4,317	30,219	6.73
55	Timaru	Geraldine	5,790	6	965	10,792	5,397	37,779	6.52
56	Western BOP	Omokoroa	3,010	4	753	7,830	3,915	19,575	6.50
57	Southland	Edendale-Wyndham	2,580	6	430	4,656	2,327	16,289	6.31
58	Western BOP	Waihi Beach	3,550	4	888	8,887	4,444	22,220	6.26
59	New Plymouth	Kaitake	5,350	4	1,338	13,056	6,528	32,640	6.10
60	Queenstown Lakes	Wanaka	12,150	5	2,430	23,489	11,745	70,470	5.80
61	Rangitikei	Taihape	3,670	4	918	8,506	4,253	21,265	5.79
62	Selwyn	Malvern	9,510	5	1,902	17,373	8,686	52,116	5.48
63	Thames-Coromandel	Mercury Bay	8,430	4	2,108	18,432	9,216	46,080	5.47
64	Rotorua	Rotorua Rural	8,600	4	2,150	18,405	9,203	46,015	5.35
65	Waimakariri	Woodend-Sefton	7,940	5	1,588	14,158	7,080	42,480	5.35
66	Timaru	Temuka	6,490	5	1,298	11,004	5,502	33,012	5.09
67	South Wairarapa	Featherston	3,260	4	815	6,379	3,190	15,950	4.89
68	Far North	Kaikohe-Hokianga	14,950	6	2,492	26,280	10,107	70,749	4.73
69	Ruapehu	Waimarino-Waiouru	4,540	4	1,135	8,506	4,253	21,265	4.68
70	Central Otago	Vincent	9,790	5	1,958	15,025	7,513	45,078	4.60
71	Waimakariri	Oxford-Ohoka	12,300	6	2,050	16,145	8,072	56,504	4.59
72	Central Otago	Cromwell	7,680	4	1,920	13,966	6,983	34,915	4.55
73	South Wairarapa	Greytown	3,520	4	880	6,379	3,190	15,950	4.53
74	Thames-Coromandel	Thames	11,100	4	2,775	19,533	9,766	48,830	4.40
75	Waikato	Ngaruawahia	8,210	6	1,368	10,318	5,159	36,113	4.40
76	Waikato	Huntly	8,220	6	1,370	10,318	5,159	36,113	4.39
77	South Taranaki	Egmont Plains	6,870	4	1,718	12,062	6,030	30,150	4.39
78	South Wairarapa	Martinborough	3,690	4	923	6,379	3,190	15,950	4.32
79	Waimakariri	Rangiora-Ashley	25,600	9	2,844	22,105	11,052	110,520	4.32
80	Wellington	Tawa	15,350	6	2,558	18,441	9,220	64,540	4.20
81	Kapiti Coast	Otaki	8,890	4	2,223	14,951	7,475	37,375	4.20
82	New Plymouth	Waitara	8,690	4	2,173	14,530	7,265	36,325	4.18
83	New Plymouth	Inglewood	8,830	4	2,208	14,530	7,265	36,325	4.11
84	Whakatane	Whakatane-Ohope	18,600	8	2,325	16,981	8,490	76,410	4.11
85	Hutt	Petone	14,150	6	2,358	15,793	7,897	55,279	3.91
86	Dunedin	Mosgiel-Taieri	17,250	6	2,875	18,860	9,429	66,003	3.83
87	Waikato	Onewhero-Tuakau	10,400	6	1,733	10,740	5,369	37,583	3.61
88	Far North	Te Hiku	20,200	6	3,367	26,828	10,318	72,226	3.58
89	Whakatane	Rangitaiki	10,100	6	1,683	10,157	5,079	35,553	3.52
90	Waimakariri	Kaiapoi-Tuahiwi	14,850	5	2,970	17,137	8,569	51,414	3.46
91	Far North	Bay of Islands-Whangaroa	29,300	7	4,186	30,660	11,792	94,336	3.22
92	Hutt	Wainuiomata	18,700	6	3,117	16,636	8,318	58,226	3.11
93	Kapiti Coast	Waikanae	12,850	4	3,213	16,005	8,002	40,010	3.11
94	Hastings	Hastings District Rural	12,150	4	3,038	14,741	7,370	36,850	3.03
95	Tararua	Dannevirke	9,840	4	2,460	11,427	5,713	28,565	2.90
96	Tasman	Motueka	12,500	4	3,125	14,320	7,160	35,800	2.86
97	Western BOP	Katikati	9,900	4	2,475	10,792	5,397	26,985	2.73
98	Waipa	Te Awamutu	20,100	5	4,020	17,776	8,887	53,322	2.65
99	South Taranaki	Hawera-Tangahoe	13,300	4	3,325	13,755	6,878	34,390	2.59
100	Western BOP	Te Puke	10,750	4	2,688	10,792	5,397	26,985	2.51
101	Christchurch	Spreydon-Cashmere	48,700	4	12,175	46,310	23,155	115,775	2.38
102	Christchurch	Papanui-Innes	49,800	4	12,450	46,310	23,155	115,775	2.32
103	Christchurch	Fendalton-Waimari-Harewood	71,600	6	11,933	45,681	22,841	159,887	2.23

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104 Waipa	Cambridge	24,900	5	4,980	18,410	9,206	55,236	2.22
105 Christchurch	Coastal-Burwood	52,300	4	13,075	46,310	23,155	115,775	2.21
106 Christchurch	Linwood-Central-Heathcote	77,800	6	12,967	48,196	24,098	168,686	2.17
107 Christchurch	Halswell-Hornby-Riccarton	79,600	6	13,267	48,196	24,098	168,686	2.12
108 Kapiti Coast	Paraparaumu-Raumati	29,500	4	7,375	19,584	9,792	48,960	1.66

Notes: Number of CB members includes all elected members to the CB including the chair but does not include appointed members to the CB such as councillors representing a ward.  
 CB governance cost = CB chair + CB elected members annual remuneration as at 1 July 2018.