

# SOUTH WAIRARAPA DISTRICT COUNCIL

20 SEPTEMBER 2012

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## AGENDA ITEM C2

### CHIEF EXECUTIVE OFFICER'S REMUNERATION

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#### **Purpose of Report**

To propose for approval adjustments to the Chief Executive Officer's remuneration.

#### **Recommendations**

1. *Receive the information.*
2. *On a finding of effective<sup>1</sup> performance I recommend that the Council **Approve** the increase in the Chief Executive's base salary from \$184,750 to **\$187,706** to reflect CPI. This is a 1.6% increase.*

#### **1. Context**

The Chief Executive Officer was appointed in July 2008 with a base salary of \$166,000 plus vehicle with limited private use.

To attract high calibre candidates to the role the decision was made to appoint above the market median. Appointment was at 115% of the median base salary.

At 1 July 2009 the Chief Executive Officer's base salary was aligned to 110% of the market median. It was agreed that this would be further aligned to 105% of the market median in 2010 if circumstances warranted it. This was implemented in 2010.

In 2011 the market was aligned to 100%.

The performance of the Chief Executive Officer is appraised for the year ending 30 June each year. The 2012 appraisal determined a satisfactory level of performance for the previous year.

The SWDC has for some years used the Strategic Pay's Local Government Remuneration Survey to determine benchmarking of salaries. In recent times however, with the economic downturn and low or no state sector pay increases being approved Council has questioned its validity. During the 2012-13 Annual Plan process Council resolved that the salary budget would

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<sup>1</sup> Jobholder meets the level expected of a competent employee in this job.

only increase by CPI or 1.6%. The Annual Plan was adopted on 27 June 2012.

Prepared by: Mayor Adrienne Staples