

## Michelle van Straalen

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**From:** Michelle van Straalen  
**Sent:** Tuesday, 12 May 2020 16:14  
**To:** [REDACTED]  
**Cc:** official information  
**Subject:** LGOIMA 20072 - Salary Cuts

Kia ora

Further to your information request of 20 April 2020 in respect of *salary cuts*, I am now able to provide Hamilton City Council's response.

### **You requested:**

*We write to ask whether your council will fairly share the burden of the economic crunch by:*

- cancelling all scheduled salary increases for all but frontline workers until the economy has recovered (i.e. when quarterly GDP has returned in real terms to the that of Q4-2019);*
- following many leaders in the private sector by reducing your salary by 20 percent for the next 12 months;*
- reducing the Mayor/Chair and Councillors' salaries by the same;*
- asking second-level managers (staff who report directly to you) to do the same;*
- Please advise what actions your council is undertaking to reduce payroll costs, and whether the specific proposals above have been, or will be, implemented..*

### **Our response:**

**Cancelling all scheduled salary increases for all but frontline workers until the economy has recovered (i.e. when quarterly GDP has returned in real terms to the that of Q4-2019);** No decisions have been finalised as yet regarding any remuneration adjustments this year, apart from those increases already agreed through Collective Bargaining. We will however be taking guidance from the State Services Commission as well as applying our own good judgement to ensure we are being finically responsible and reflective of the present economic challenges facing many businesses across the country.

### **Following many leaders in the private sector by reducing your salary by 20 percent for the next 12 months;**

The Chief Executives take-home pay has been reduced by 20% for the next 6 months.

### **Reducing the Mayor/Chair and Councillors' salaries by the same;**

Many elected members across the country have sought to take a pay cut to reduce the burden on ratepayers, but have been prevented from doing so because this is not an option legislatively allowable under the Remuneration Act 1977. The Act empowers the Remuneration Authority to set zero salary increases in times of economic hardship, but it does not have the ability to allow elected members to volunteer for a pay cut.

At this stage, the Remuneration Authority has advised Councils to refrain from any decisions around elected member remuneration until it is clear whether or not the Government will amend legislation and, if that happens, what such amendments would be. Accordingly HCC has been unable to make any decisions on reducing Elected Members salaries.

### **Asking second-level managers (staff who report directly to you) to do the same;**

Tier 2 Senior Leaders have been asked to reduce their take-home pay by 20% for the next 6 months

**Please advise what actions your council is undertaking to reduce payroll costs, and whether the specific proposals above have been, or will be, implemented.** As a Council we are only recruiting for vacant positions in essential services and/or other critical roles to ensure our headcount is being well managed during this difficult and uncertain time. Like all other Councils we provide communities with critical infrastructure and services and need to ensure that we are resourced appropriately to safely undertaken this important work and to meet the needs of our rate payers. See other answers above in response to other actions to reduce our payroll costs.

If you have any further queries regarding this response, please do not hesitate to contact me on the details below.

Kind regards,

**Michelle van Straalen**

Official Information Advisor | Legal Services

DDI: 07 974 0589 | [Michelle.vanStraalen@hcc.govt.nz](mailto:Michelle.vanStraalen@hcc.govt.nz)



Hamilton City Council | Private Bag 3010 | Hamilton 3240 | [www.hamilton.govt.nz](http://www.hamilton.govt.nz)

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**From:** Michelle van Straalen

**Sent:** Tuesday, 21 April 2020 8:58 AM

**To:** [REDACTED]

**Subject:** LGOIMA 20072 - Salary Cuts

Kia ora

I write to acknowledge your information request of 20 April 2020 in respect of Hamilton City Council salary cuts.

Your request has been lodged in accordance with the Local Government Official Information and Meetings Act 1987. We will respond as soon as practicable and in any event no later than 19 May 2020, being 20 working days after the day we received your request.

Please feel free to contact me in the meantime if you have any queries regarding the progress of your request.

Kind regards,

**Michelle van Straalen**

Official Information Advisor | Legal Services

DDI: 07 974 0589 | [Michelle.vanStraalen@hcc.govt.nz](mailto:Michelle.vanStraalen@hcc.govt.nz)



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**From:** [REDACTED]

**Sent:** Monday, 20 April 2020 1:57 PM

**To:** CEO [REDACTED]  
[REDACTED]

**Subject:** Letter to Chief Executive re: salary cuts

Good afternoon Chief Executive,

Please see the attached letter addressed to you as chief executive (or equivalent) of your council. We look forward to a response (feel free to reply to this email directly).

Regards,

[REDACTED]

[REDACTED]

[REDACTED]