

## LGOIMA

*When releasing responses to previous LGOIMA requests, names of individual requestors may be withheld to protect their privacy.*

*Information requested by the media, from public sector organisations and MPs will always be published while information specific to an individual or their property will not generally be published.*

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**Request  
from:**

**For:** COVID-19 voluntary Pay Cut

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**Response  
by:**

Pat Dougherty  
Chief Executive

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Ref: SR 2012603

Civic House, 110 Trafalgar Street  
PO Box 645, Nelson 7040, New Zealand

07 May 2020

P (03) 546 0200  
E [pat.dougherty@ncc.govt.nz](mailto:pat.dougherty@ncc.govt.nz)  
[nelson.govt.nz](http://nelson.govt.nz)

New Zealand Taxpayers' Union  
[REDACTED]  
[REDACTED]

Dear [REDACTED]

### **OFFICIAL INFORMATION REQUEST FOR COVID-19 VOLUNTARY PAY CUT**

I refer to your official information request dated 20 April 2020 for information on salary information in light of COVID-19.

Council is proposing a zero percent rates rise in 2020/21 which would, in part, be funded by a staff wage freeze. This is subject to PSA negotiations. This wage freeze would apply to all employees, including the Chief Executive and senior managers. A 50% cut in training budgets (for staff and Elected Members) is also being proposed.

Regarding your question about my salary, you have asked for information regarding future decisions. That information does not exist. I do note that my salary for the year will be reported publicly in the Council's Annual Report later in the year.

In terms of requests for senior managers to reduce their salaries, I have no comment to make, although I note that employers have no ability under law to unilaterally reduce staff remuneration. It is important that the privacy of the employee and employer relationship is maintained.

In terms of your question about reducing the salary of the Mayor and Councillors, it is not legally possible for Council to reduce the remuneration of elected members. This is set by the Remuneration Authority through legislation and is outside Council's control.

Our focus in this challenging time is to ensure Council's essential services are delivered and that we can continue to help the community. Council has a key role to play in the rebuilding of our community and all of us (staff and Elected Members) will be working hard to help make that happen.

To the extent that I have refused to provide information requested, the withholding grounds in sections 7(2)(a) and 17(e) of the Local Government Official Information and Meetings Act 1987 apply (section 7(2)(a) is relevant to your question about senior managers, whereas section 17(e) is relevant to my salary). You have the right to seek an investigation and review by the

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Ombudsman of this response. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or Freephone 0800 802 602.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pat Dougherty', written in a cursive style.

**Pat Dougherty**  
Chief Executive



20 April 2020

To: Chief Executive Officer

Dear Sir or Madam,

## COVID-19: VOLUNTARY PAY CUT & REQUEST FOR OFFICIAL INFORMATION

We write to you and the CEOs of all councils on behalf of the Taxpayers' Union, our 40,000 subscribed members and supporters, and the thousands of New Zealanders who have signed a petition in support of public sector pay cuts at [www.paycut.nz](http://www.paycut.nz).

As you will be aware, the Prime Minister has asked her Ministers and CEOs in the core public service to take a salary reduction, saying “it is an acknowledgement that every person and organisation has a part to play as we unite to stamp out Covid-19 and save lives.”

You may also be aware that the CEOs of Waikato District Council and Dunedin City Council have voluntarily taken salary cuts. In the case of Dunedin this cut extends to the CEO’s leadership team.

Meanwhile, elected representatives in Auckland, Christchurch, Dunedin, Hutt City, and Rotorua local councils have also volunteered to take salary cuts.

These examples show the sort of leadership the economic consequences of COVID-19 call for.

**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); and**
- **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; and**
  - **asking second-level managers (staff who report directly to you) to do the same.**

A temporary salary reduction for those paid the most in local government would be a prudent and compassionate response to the pressures faced by ratepayers across New Zealand. Unemployment is forecast

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to rise to, at best, ten percent, and private sector bosses are taking financial haircuts to limit the impact on lower income earners. Many firms will not survive.

I have taken a pay cut myself to absorb the lockdown's financial impact on the Taxpayers' Union and its staff.

**As a senior council employee, you don't just have a high salary – you have higher job security than your ratepayers. A temporary 20 percent pay cut would be a small sacrifice in these extraordinary times when so many of those who pay your salary are losing their jobs.**

Please advise what actions your council is undertaking to reduce payroll costs, and whether the specific proposals above have been, or will be, implemented.

Yours sincerely,

