



FINAL

Councillors' Allowance

and

Reimbursement Policy

As At 01 July 2023

(To 30 June 2024)

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1. INTRODUCTION

Schedule 7, section 6 of the Local Government Act 2002 requires the Remuneration Authority to determine the “remuneration, allowances and expenses” payable to Councillors of local authorities. Section 6 further states that the Remuneration Authority may approve the rules under which expenses are reimbursed to Councillors.

Remuneration, allowances and expense reimbursements not determined by the Remuneration Authority cannot be paid.

2. RELATED GUIDELINES AND POLICY DOCUMENTS

- (a) Office of the Auditor-General publication – “*Controlling sensitive expenditure: Guidelines for public entities*” <https://oag.parliament.nz/2020/sensitive-expenditure>
- (b) Local Authorities (Members’ Interests) Act 1968
- (c) Guidance from the Remuneration Authority – <https://www.remauthority.govt.nz/local-government-elected-members/allowances-elected-members/>

3. COUNCIL PROCESSES FOR PAYMENT OF ALLOWANCES AND REIMBURSEMENTS

Payment for allowances and reimbursements require a claim form to be signed and submitted.

Councillor claims are processed and paid monthly.

Claim forms:

- (a) are to be submitted to the Group Manager Corporate & Governance who will vet, approve and arrange payment into members’ bank accounts.
- (b) for each month are to be received by the 20th of the following month **EXCEPT** for the months of May and June. Expense claims for the month of May and beginning of the month of June are to be received by the 15th of June to enable payment in that financial year. Expenses incurred between 16-30 June will be processed in the following financial year.
- (c) submitted after three months will not be entertained except in extraordinary circumstances.

All reimbursement claims are to be supported with a detailed receipted tax invoice. It is not sufficient for payments made by credit card or EFTPOS docket to be supported by only the credit card / EFTPOS receipt.

Payment will be made monthly by direct credit.

4. VEHICLES

4.1 Vehicles

The Remuneration Authority advises that a local authority may provide a regional chair with either:

- (a) a motor vehicle (for restricted private use, partial private use, or full private use) (definitions are included in the Determination), **or**,
- (b) a vehicle mileage allowance in accordance with clause 11 of the Determination.

If a Chair elects to have the vehicle available for full private use, a deduction will be made from their salary by Council in line with the formula determined by the Remuneration Authority.

The Remuneration Authority has determined that from 1 July 2022, the maximum purchase price that may be paid for a motor vehicle purchased by a local authority for provision to a regional chair during the term of the determination is:

- (a) \$55,000 (including goods and services tax and any on-road costs) in the case of a petrol or diesel vehicle; and,
- (b) \$68,500 (including goods and services tax and any on-road costs) in the case of an electric or a hybrid vehicle.

The new purchase price limits do not apply to existing motor vehicles currently provided to regional chairs. In these cases, the actual purchase prices are grand-parented until the existing vehicles are replaced.

If the motor vehicle is provided for restricted private use, no deduction may be made from the annual remuneration payable to the regional chair under Part 1 of the Determination. The process of valuing the cost of the partial private use or full private use of the vehicle is now the responsibility of Council which will deduct that amount from the Chair's remuneration that is advised in the Determination. Formula are provided in the Determination for valuing purposes.

4.2 Vehicle Provision

Generally, the Council does not provide Council vehicles for members attending Council / Standing Committee meetings, except for the Chair of the Council.

5. MILEAGE ALLOWANCES

5.1 Mileage Rate

The Remuneration Authority determines the vehicle mileage allowance payable to elected members for eligible travel. This allowance reflects cost recovery and is in line with payments set out by the Inland Revenue Department guidelines.

Currently, a mileage allowance is paid on a day when an elected member is travelling in a private vehicle, and on "Council business", and by the most direct route that is reasonable in the circumstances. No reimbursements of costs are chargeable to others (e.g. private company).

Councillors are to include on the monthly claim form details of all meetings (including whether Council or relevant Committee) for which a mileage allowance is being claimed. Reimbursement will only be made for mileage listed on the claim form. Sufficient details relating to "Council Business" meetings are to be included.

5.2 Mileage for "Council Business"

Councillors are entitled to a mileage allowance when using their own vehicle for "council business".

The allowance payable for the **first** 14,000 kilometres of eligible travel in the determination term is \$0.95 per kilometre for petrol / diesel vehicles, petrol hybrid vehicles and electric vehicles.

The allowance payable **after** the first 14,000 kilometres of eligible travel in the determination term is:

- (a) \$0.34 per kilometre for a petrol or diesel vehicle,
- (b) \$0.20 per kilometre for a petrol hybrid vehicle,
- (c) \$0.11 per kilometre an electric vehicle.

5.2.1 Interpretation

With respect to mileage allowances, the term "council business" includes attendance at the following:

- (a) Official meetings of the Council and any committees and subcommittees.

- (b) Council / Committee workshops / briefings.
- (c) Statutory hearings (excluding Hearings relating to the Resource Management Act (RMA)).
- (d) An external event or meeting where there has been:
 - i. a resolution of Council or a Committee; **or**,
 - ii. authorisation by the Council Chair / relevant Committee.
- (e) Formal meetings/visits within the Councillor's constituency (details to be provided).
- (f) Seminars and training courses where the Councillor's attendance has been authorised.
- (g) Formal meetings with Mayors, territorial authority committee Chairs or elected members.
- (h) Official Councillor briefings by Council staff.

At no time does "council business" include events where the primary focus is on social activities, political meetings or electioneering.

5.2.2 Exceptions

- (a) if the Council is providing transport, and a Councillor chooses – for personal reasons – to travel independently, they may not be entitled to a vehicle allowance.
- (b) where a Councillor chooses – for personal reasons – to travel by private motor vehicle to a conference or seminar outside of the Horizons' region they will be entitled to reimbursement of the mileage travelled, up to the value of equivalent airfares.

6. TRAVEL TIME ALLOWANCES

A travel time allowance is payable for travel by Councillors (excluding the Chair of Council) including travel to and from the Councillor's residence if the travel is on Horizons' business and by the quickest form of transport reasonable in the circumstances. This allowance is payable for each hour of eligible travel time of the Councillor after the first hour travelled in a day. The amount payable for the allowance is \$40.00 per hour (pro-rated in the case of a part of an hour).

However if a Councillor resides outside the Horizons region and travels to the regional council area on Council business, the Councillor is only eligible for a travel time allowance in respect of eligible travel time:

- (a) after the Councillor crosses the boundary of the Horizons region, **and**,
- (b) after the first hour of eligible travel within the Horizons region.

The maximum amount of travel time allowance that a Councillor may be paid for eligible travel in a 24-hour period, is eight hours.

7. TRAVEL AND ACCOMODATION

7.1 Taxis and Other Transport

Other than for agreed conference / meeting attendance, there may be occasions when a Councillor requires a taxi service. Pre-approval by the Governance Coordinator (including the taxi company to be used) is required. Actual costs associated with approved use, will be reimbursed upon production of an official receipt.

7.2 Public Transport

Upon the production of receipts or evidence satisfactory to the council, members are entitled to the reimbursement of the actual and reasonable costs incurred by members who use public transport for travel on local authority business.

7.3 Car Parks

Car parks are available for use by Councillors in the main car park at Regional House, Palmerston North.

7.4 Use of Rental Cars

There may be occasions when rental cars are required for use by Councillors. Approval by the Governance Coordinator (including the company to be used) is required.

7.5 Air Travel - Domestic

Domestic air travel may be considered for conferences approved by Council, only where travel by air is the most economic way.

It is current practice that no one airline is favoured – the cheapest possible flight is booked to meet requirements. All travel bookings are made through the travel agency appointed by the Chief Executive.

Members requiring booking of approved air travel should arrange this with the Governance Coordinator.

7.6 Air Travel - International

International air travel needs to be approved in advance by Council.

It is current practice that all international air travel will be by economy class except where exceptional circumstances arise.

It is also current practice that no one airline is favoured – the cheapest possible flight is booked to meet requirements. All travel bookings are made through the travel agency appointed by the Chief Executive.

Members requiring booking of approved international air travel should arrange this with the Governance Coordinator.

7.7 Airline Clubs / Airpoints / Airdollars

The Council Chair will have paid membership of one airline club.

Airpoints or Airdollars earned on travel, accommodation, etc., paid for by the Council are available for the private use of Councillors.

7.8 Accommodation Costs

Councillors attending any Council, Standing Committee, Subcommittee or Council Workshop meetings are entitled to any expenses incurred in attending the meeting. Such expenses could include accommodation.

Actual and reasonable accommodation costs will be paid / refunded (upon production of receipts) where appropriate. Such costs are appropriate when a member is required to travel long distances (in excess of 100 km one-way) to a meeting, or it is not practicable to return home on the same day, or in exceptional circumstances.

The Council has negotiated corporate rates with hotels and unless extraordinary circumstances arise, members are to use these venues where appropriate. Bookings are to be made in consultation with the Governance Coordinator.

7.9 Meals and Sustenance- Incidental Expenses

Committee meetings, and workshop days when the meeting extends past the lunch period.

Members may claim fair and reasonable costs for meals when travelling on official business, with the production of receipts (excluding members who choose to stay privately). See Section 3 (page 4) for Council's process for payment of allowances and reimbursements.

There will be no reimbursement of meals provided by others.

Members may also claim the incidentals allowance of up to \$7.30 for each full 24 hour period and for any additional part of less than 24 hours. There will be no reimbursement of minibars, movies, tips.

Laundry reimbursement will be paid, based on reasonable costs, if trip is more than four (4) days duration.

8. ENTERTAINMENT AND HOSPITALITY

8.1 Annual Councillor Function

The Council will make budgetary provision for one Councillor Function per year. The purpose of the function is to provide:

- (a) a forum for building relationships between Councillors and senior staff; **and**,
- (b) an opportunity to give recognition to the supporting role that spouses/partners give to Councillors and senior staff.

Attendance is generally limited to Councillors and senior management staff, accompanied by spouses/partners.

If appropriate, costs of accommodation and associated meals will be paid for Councillors and partners attending the annual function.

The Chief Executive or Chair when deemed appropriate for the function may invite special guests.

9. COMMUNICATION ALLOWANCES

9.1 Equipment

Councillors will be supplied with an iPad for electronic access to Council reports, agendas, reference material and council-related matters. This iPad will remain the property of Horizons Regional Council.

Councillors will not be supplied with a **multi-functional or other printer**, however an allowance of **\$50** for the determination term will be paid for the use of a personal multi-functional or other printer.

9.2 Services

9.2.1 Internet Service

Where the Councillor uses their **own internet service** for the purpose of their work on Council business, the Councillor will be entitled to an allowance of **\$800** per determination term for that use.

9.2.2 Mobile Services

Where the **Councillor** uses their **own mobile telephone service** for work on Council business, the Councillor is entitled either:

- (a) to an allowance of **\$500** per determination term, for that use, **or**,
- (b) reimbursement of actual costs of phone calls made on local authority business upon production of the relevant telephone records and receipts.

9.2.3 Mobile Telephones

Where the Councillor uses their **own personal mobile telephone** for work on Council business, the Councillor is entitled to an allowance of **\$200** for the determination term.

Where the **Councillor** is supplied with a mobile telephone and mobile telephone service - the phone and the related mobile telephone service will remain the property of Horizons Regional Council and there is no entitlement.

The Council will provide a mobile phone for the **Chair**. The mobile telephone will remain the property of Horizons Regional Council.

9.3 Reimbursement of communications equipment and services entitlements

In order to minimise administrative costs, a single yearly payment of either:

- (a) One thousand five hundred and fifty dollars (\$1,550) if accepting 9.1, 9.2.1, 9.2.2 (a) and 9.2.3, **or**,
- (b) One thousand and fifty dollars (\$1,050) if accepting 9.1, 9.2.2 and 9.2.3 plus reimbursements upon production of relevant telephone records and receipts, **or**,
- (c) Eight hundred and fifty dollars (\$850) if accepting 9.1 and 9.2.1.

Payment for Option (a), (b) or (c) will be made to each Councillor – pro-rated as applicable.

9.3.1 ICT Consumables

Included in the communications allowance is a new item covering the reimbursement of ICT consumables such as paper and ink cartridges. Elected Members using their own supply of consumables can seek a reimbursement of up to \$200 during the term of the determination (upon producing a GST receipt).

9.4 Pro-rating

If the Councillor is not a Councillor for the whole of the determination term, the provisions of paragraphs 9.1 and 9.2 apply as if each reference to an amount were replaced by a reference to an amount calculated in accordance with the following formula: $(a \div b) \times c$

Where:

- a. Is the number of days that the member held office in the determination term,
- b. Is the number of days in the determination term,
- c. Is the relevant amount specified in paragraphs 9.1 and 9.2. If applicable include 9.3.1.

10. PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS

10.1 CONFERENCES, COURSES AND SEMINARS ETC

An annual budget will be set aside for Councillor attendance at conferences / courses / seminars. (Annual LGNZ Conference not included – see below).

When considered appropriate for a Councillor to attend a conference / course / seminar at the cost of the Council, approval shall only be given for the purpose of acquiring knowledge, including new developments, or transacting business that is appropriate to that Councillor. Costs of attendance must be able to be met within the approved budgets.

Attendance will generally be authorised by resolution in a public session of a Council or Committee meeting, but may also be authorised in writing by the Council Chair.

Councillors who have been authorised to attend a conference, course, seminar etc. will have attendance fees, travel, accommodation and meals paid for. Unless otherwise agreed by the Group Manager Corporate & Governance, all travel and accommodation will be booked through the Governance Coordinator.

The Council will not meet costs of partners / spouses attending conferences / courses / seminars.

Councillors, after attendance at an approved conference / course / seminar should present a written report to an appropriate meeting on relevant matters including course content, matters of interest to other members and staff and an assessment of the value of the attendance.

10.1.1 LGNZ

Attendance at the LGNZ Annual Conference will be considered and resolved by the Council. Every attempt will be made for each Councillor to attend an LGNZ conference during the triennium.

The Council will meet the costs of registration, travel, meals and accommodation for Councillors.

11. OTHER EXPENSES REIMBURSEMENTS AND ALLOWANCES

11.1 COUNCILLORS TRAVELLING OVERSEAS (OTHER THEN COURSES / CONFERENCES)

The Council may support the costs of Councillors travelling overseas on fact-finding visits after consideration of the following factors:

- (a) the information to be gained is necessary to the achievement of the performance measures of a relevant Council project in the Annual Plan / LTP.
- (b) a personal visit is required and the nature of the visit is such that a Councillor is appropriate for the task.
- (c) the visit is an effective means of obtaining the information.
- (d) the Councillor applying for support is an appropriate member to undertake the proposed visit.
- (e) any special circumstances, which are seen to justify support.

All applications for support shall be in writing and will require support from the relevant principal Committee prior to consideration by the Council.

When a Councillor will be travelling overseas on a personal visit and is asked by the Council to undertake some work which can be conveniently included in their itinerary, then the Council may approve any extra expense incurred as it sees fit.

11.2 Other Expenses

Certain items have been confirmed as not refundable as follows:

- (a) increased clothing standard because of attendance at Council and other meetings,
- (b) constituent expenses,
- (c) lost time or the additional payments incurred in having normal work undertaken by someone else,
- (d) childcare,
- (e) personal subscriptions to magazines,
- (f) personal subscriptions to clubs and organisations,
- (g) hospitality extended to constituents in private home on Council business and community contacts; and,
- (h) spouses costs in attending functions, e.g. clothing and hairdressing.

11.3 Salary Adjustments

When a Committee Chair has been granted extended leave of absence by Council, the Deputy Committee Chair may, by approval of the Council Chair or by resolution of Council, be paid the equivalent of the Committee Chair's salary, for the appropriate period. In justifying any decision to

increase the salary of the Deputy Committee Chair under these circumstances, due consideration should be given to the length of leave of absence and the anticipated workload during that period. The Committee Chair, by virtue of being on leave of absence, will forfeit that proportion of salary.