

Report No.	19-111
Decision Required	

COUNCILLORS' ALLOWANCES AND REIMBURSEMENTS POLICY REVIEW

1. PURPOSE

- 1.1. This report presents to Members, a change to the mileage allowance in the *Councillors' Allowances and Reimbursements Policy* (the Policy) following the release of the Local Government Members (2019/20) (Local Authorities) Determination 2019 (the Determination).

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-111 and Annex.
- b. endorses, with or without amendment, the Allowances and Reimbursements Policy outlined at Annex A;
- c. authorises the Chief Executive to make communication allowance payments to elected members immediately following the declaration of election results as outlined in section 9 of the Allowances and Reimbursements Policy (attached at Annex A). It is noted that this payment will be pro-rated from 1 July 2019 to the day after the election results are publicly notified for retiring members. Returning members will be paid from 1 July 2019 – 30 June 2020. New members will be pro-rated from the day after the election results are publicly notified to 30 June 2020.

3. FINANCIAL IMPACT

- 3.1. There is no financial impact arising from the Determination as these costs have been budgeted.

4. COMMUNITY ENGAGEMENT

- 4.1. Members' remuneration is part of the Long-term Plan consultation process.

5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk impact.

6. BACKGROUND

- 6.1. The Remuneration Authority (RA) publishes its Determination each year, which not only notifies remuneration details, but also advises allowances for hearings, vehicle mileage, travel time and communications. These allowances are included in the *Councillors' Allowances and Reimbursements Policy* (the Policy).
- 6.2. In the past, the RA has asked each council to review and either reconfirm or amend its policies, and forward them to the Authority for its approval. This is no longer the case and the RA feels strongly that councils should make their decisions, check that they are complying with the provisions of the determination, and also be checked by the Council's auditor.

7. DISCUSSION

Mileage Allowance

7.1. Councillors are entitled to a mileage allowance when using their own vehicle for 'council business' (which is outlined in the Policy). The RA has advised:

7.1.1. For the first 14,000 kilometres of eligible travel in the determination term –

- \$0.79 per kilometre if the member uses a petrol / diesel vehicle, petrol hybrid vehicle or electric vehicle;
- \$0.30 per kilometre will be paid for any distance over 14,000 kilometres of eligible travel in the determination term for a petrol or diesel vehicle;
- \$0.19 per kilometre will be paid for any distance over 14,000 kilometres of eligible travel in the determination term for a petrol hybrid vehicle;
- \$0.09 per kilometre will be paid for any distance over 14,000 kilometres of eligible travel in the determination term for an electric vehicle.

These rates are in line with those of the Inland Revenue Department (IRD).

8. COMMENT

8.1. Amendments have been made to the current Policy (attached at Annex A) in line with the RA's Determination about the mileage allowance, as follows:

8.1.1. Paragraph 5.2 has been amended to include new mileage allowances.

8.2. No other amendments have been made to the Policy.

8.3. The Communications Allowance will be paid a single yearly payment of nine hundred and ninety dollars (\$990) in accordance with paragraph 9.3(a) of the Policy as instructed by all Councillors in August 2018.

8.4. As 2019 is an Election year, the Communications Allowance will be pro-rated as per paragraph 9.4 of the Policy. Retiring Councillors will receive a pro-rated payment from 1 July 2019 to the day after the election results are publicly notified. Returning Councillors will be paid from 1 July 2019 to 30 June 2020. New Councillors coming into office after the Election will be paid a pro-rated amount from their commencement date to 30 June 2020.

8.5. As resolved at 25 June 2019 Council meeting, Councillors did not approve payment of a Childcare allowance as per the Determination. Therefore, this has not been included in the Policy.

9. CONSULTATION

9.1. Members are requested to consider and discuss the proposed annexed Policy (July 2019) and advise if they wish to make any further amendments.

10. TIMELINE / NEXT STEPS

10.1. Once Council has considered and approved the changes, the approved Policy will take effect from and be backdated to 1 July 2019.

11. SIGNIFICANCE

11.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Craig Grant

GROUP MANAGER CORPORATE AND GOVERNANCE

ANNEXES

A Councillors Allowances and Reimbursements Policy