

POLICY ON ELECTED  
MEMBERS' ALLOWANCES AND  
RECOVERY OF EXPENSES - 1  
JULY 2016 TO 30 JUNE 2019

Revised and Adopted by Council  
23 June 2016

# **POLICY ON ELECTED MEMBERS' ALLOWANCES AND RECOVERY OF EXPENSES - 1 JULY 2016 TO 30 JUNE 2019**

## **1. INTRODUCTION**

This policy sets out rules on the claiming of expenses by elected members and the resources that will be available to them during their term of office.

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## **2. DOCUMENTATION OF POLICIES**

In addition to this document, the following documents set out the policies, rules and procedures relating to the expenses and allowances payable to elected members:

- Delegations Manual *Updated regularly*

## **3. AUTHENTICATION OF EXPENSE REIMBURSEMENTS AND ALLOWANCES**

From time to time elected members incur expenses on Council's behalf, which need to be reimbursed. This reimbursement and the use of Council supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.

Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects. Transparency is achieved through the quarterly publication on Council's website of all expenses for elected members claimed in that period.

The process for reimbursement of claims includes the following principles:

- Any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy.
- Expense claims for Councillors are approved by the Mayor, and full original receipts are required.
- Expense claims for the Mayor are approved by the Deputy Mayor.

- Remuneration Authority Allowances are paid through the payroll system, and reimbursements are paid through accounts payable.

In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

In the case of vehicle mileage, travel time and communications, all limits set in this document do not exceed the Remuneration Authority's Determination.

Council's audit work programme includes sampling expense claims and allowances paid to elected members and staff.

No allowances are paid without deduction of withholding tax.

All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions.

#### 4. DEFINITIONS

**"Actual"** means as evidenced by the original receipt attached to the claim form.

**"Reasonable"** means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and Chief Executive.

**"Council Business"** includes: formal Council meetings, committee meetings, workshops, seminars, hearings, training courses, site visits, meetings with staff, formal meetings with community groups, attendances required by a Council appointment, Council organised meetings with members of the public. It does not include events where the primary focus is on social activity or private meetings with citizens or groups.

**"Remuneration Authority"** is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

## ALLOWANCES AND EXPENSES BY GROUP OF MEMBERS

Position	Expense/Allowance	Description
All elected members	Taxis	<p>Taxis may be used for Council business, instead of private vehicles or public transport, for the following reasons:</p> <ul style="list-style-type: none"> <li>a) safety/security reasons, and</li> <li>b) when travelling outside of the District if a taxi is the most appropriate form of transport.</li> </ul> <p>Taxis may not be used if significant travel distances mean that use of a taxi is not the most cost effective option. Rental cars booked by Council support staff should be considered as an option in such circumstances.</p> <p>Costs paid for directly by the individual for unanticipated travel within in New Zealand or for international travel will be reimbursed on presentation of actual receipts.</p>
	Travel and attendance at conferences/ seminars/training programmes	<p>All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at these events, held both within New Zealand and overseas, subject to:</p> <ul style="list-style-type: none"> <li>a) related expenditure being accommodated within existing budgets, and</li> <li>b) the appropriate approvals as outlined in this policy.</li> </ul> <p>and excluding reimbursement for purchases from hotel mini-bars and charges for in-room video or cable movies.</p> <p>All bookings, travel and accommodation arrangements for elected members are to be made by Council support staff with Council's preferred travel agents, at the most economic cost available (when possible) at the time of booking, unless all travel costs are being met privately or by an outside party.</p>
	Exceptional circumstances for Council related meetings	<p>Staff may arrange overnight accommodation when travel or business requirements do not allow for the return on the same day, e.g. if it is unreasonable for an elected member to travel to their home after a late meeting.</p> <p>Council recognises that this may be a regular occurrence (i.e. not exceptional) for the member from Haast.</p>
	Domestic air travel	<p>All elected members are entitled to utilise domestic air travel for Council related travel, generally where travel by air is the most cost effective travel option.</p>

Position	Expense/Allowance	Description
	International air travel	As a general policy all elected member international air travel is by way of economy class, where all or part of the costs of the fares are to be met by Council. The approval of Council is required for exceptions, e.g. where Premium Economy or the equivalent air travel is desirable for health or other compelling reasons.
	Private accommodation provided by friends/relatives	Payment of \$50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that at least a portion of this allowance is paid to the accommodation provider.
	Parking expenses	Reimbursement of casual car parking costs related to Council business. This will be on receipt of a signed claim accompanied by a receipt.
Mayor	Car	The Mayor will not be provided with a vehicle. This will be reviewed after the local body elections in October 2016.
	Travel and conferences, courses and seminars	<p>The prior approval of the Deputy Mayor and Chief Executive (for confirmation of budget) is required for travel within New Zealand for: Council business; attendance at conferences/courses/training events/ seminars; other purposes associated with the position of mayor.</p> <p>The prior approval of Council is required for all international travel, where costs or partial costs are paid for by Council funds.</p> <p>Where the Mayor or the Mayor's authorised representative is accompanied by his/her partner on international travel, Council will meet the cost of their travel, accommodation and incidental costs.</p> <p>Council will authorise such expenditure where the partner's involvement directly contributes to a clear business purpose.</p>
	Telephone costs	Full payment by Council of Council provided cell phone rental, data and all associated business call charges. Private use of the cell phone is permissible in line with Councils Telephone Policy for staff.
	Entertainment and hospitality	<p>Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.</p> <p>All expenditure is approved by the Deputy Mayor.</p>
Mayor, Councillors	Rental Cars	Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.

	Communications equipment	<p>Option of either:</p> <p>a) provision of a mobile phone (Mayor only)</p> <p>b) provision of a tablet. Full technical support is provided for Council business.</p>
	Printing, Data, Technology	An allowance towards Council printing, data, technology of \$400 per annum.
Councillors	Stationery and consumables	Supply of reasonable amounts of paper and printer consumables for Council business.
	Conferences, courses, seminars and training	<p>The conference, course, seminar or training event must contribute to Councillor's ability to carry out Council business.</p> <p>Attendance at these events when held in New Zealand must be approved by Council in advance where possible otherwise approved by either the Mayor (or the Deputy Mayor) and the Chief Executive and subsequently ratified by Council.</p> <p>Attendance at these events when held overseas must be approved by Council.</p>
	Entertainment and hospitality	Reimbursement of costs incurred while hosting official visitors to Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to, tea/coffee, and catering.
	General community related expenses	From time to time Councillors may have unforeseen costs arise for items relating to community events, e.g. payment of koha, or purchasing a wreath for attendance at a commemorative event. Reimbursement of such expenditure should be previously approved by the Chief Executive. The items should be appropriate to the occasion and expenditure should be moderate and conservative. Where expenses have not been prior approved the Chief Executive may decline reimbursement.
	Travel Time Allowance	<p>Councillors are entitled to claim an allowance for time travelled on council business, provided the journey is by the quickest form of transport reasonable in the circumstances and the travel time exceeds one hour.</p> <p>The allowance is available each day for any business on behalf of the council or board or between the member's residence and an office of the council or board.</p> <p><b>Rate</b></p> <p>As of 1st July 2016 the rate will be \$37.50 per hour in respect of any qualifying travel that exceeds one hour on any day.</p>

	Vehicle mileage	<p>Vehicle mileage will be paid for all travel on Council business that exceeds, in any one day, the relevant threshold distance.</p> <p>The threshold distance will be personal to each elected member. It will depend on the distance of a round commuting trip from the elected member's home to their nearest Council office:</p> <ul style="list-style-type: none"> <li>a) Any elected member living within 15 kilometres of their nearest office will meet their own cost of getting to and from work.</li> <li>b) Members living more than 15 kilometres away from their nearest office may claim the allowance for distances in excess of the normal commuting distance. This means members can claim for distances in excess of 30 kilometres (i.e. the round trip normal commuting distance).</li> </ul> <p>Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination.</p> <p>Mileage will be paid to eligible members on receipt of an approved signed mileage claim</p>
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## MAYORAL VEHICLE

Councils decide whether or not a car is to be supplied and on what basis. The determinant is what is most cost effective for Council and ratepayers.

Please use this form to confirm or reconfirm car provision details.

Car supplied: YES/~~NO~~

If Yes, confirm Make & Model \_\_\_\_\_

Date of Purchase \_\_\_\_\_

Total on the road cost to Council  
on purchase GST inclusive \$ \_\_\_\_\_

Use of car: Chair/Mayoral use only YES / NO

Private use YES / NO

If yes, confirm % private use \_\_\_\_\_ %

**N.B. Chair/Mayoral use only** means that the car can be used by other officers, can be driven home and garaged by the Chair/Mayor but does not permit any private use.

**Full Private Use** is normally assessed by the Authority at 20%. Where a larger or smaller usage is claimed supporting information is required (such as log books).

### Car value deduction calculation:

If value of car = \$38,000 incl. GST  
% of private use = 20%

$\$38,000 \times 41\% \times 20\% = \$3116$

This is the amount to be deducted from the Mayoral Salary.