

## ELECTED MEMBERS ALLOWANCES AND REIMBURSEMENT

<b>DEPARTMENT:</b>	Finance
<b>RESPONSIBILITY</b>	Chief Financial Officer
<b>ADOPTED:</b>	October 2022
<b>REVIEW:</b>	Every three years, or as required
<b>CONSULTATION:</b>	None required.
<b>RELATED DOCUMENTS:</b>	Local Government Act 2002, Remuneration Authority Act 1977, Local Government Members (2023/24) Determination 2023

### **POLICY OBJECTIVE**

To provide a framework for allowances, expenses claimed, and resources available to elected members during their term of office.

### **DEFINITIONS**

**The various related documents identified above also provide a number of definitions that are relevant to this policy.**

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

**All elected members:** includes the Mayor, members of Council and members of the Community Boards.

**Council Offices:** includes the Council office at 6-8 Brougham Street, Westport as well as the Clock tower meeting chambers at Palmerston Street, Westport.

**Council business:** includes formal Council and Community Board meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.

**Entertainment and hospitality** cover a range of items such as tea, coffee, and catering including meals. It also includes non-catering items such as entry to sporting or cultural events.

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

**Remuneration authority:** is the 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.

## **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.

## **2. CONTACT PERSON**

Contact person for queries is:

Governance Secretary

[governance.assistant@bdc.govt.nz](mailto:governance.assistant@bdc.govt.nz)

Telephone: 03 788 9635

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

- 3.1** From time to time elected members incur expenses on the 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.
- 3.2** Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects.
- 3.3** The process for reimbursement of claims includes the following principles:
- Expenses and reimbursement for the Mayor is approved by the Independent Chair of the Risk and Audit Committee.
  - Expenses and reimbursement for Elected Members is approved by the Independent Chair of the Risk and Audit Committee and the Mayor.
  - Any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy.
  - Cost reimbursements will be made via the payroll system.
- 3.4** In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.
- 3.5** In the case of vehicle mileage, travel time and communications, all limits set in this document do not exceed the Remuneration Authority's Determination.
- 3.6** The Council's internal audit work programme includes sampling expense claims and allowances paid to elected members and staff.
- 3.7** All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions.

## **4. ALLOWANCES AND EXPENSES**

### **4.1 Transport options when not using private/council vehicles - taxis/ride share/public transport.**

When travelling, elected members should consider the most cost effective method of transport considering distance to travel and availability of the transport options. I.e. ride share services/public transport services are not always available in every town.

Rental cars should only be considered as an option where multiple elected members are travelling to areas where the identified travel options don't exist, or the elected member is staying away overnight and has luggage with them.

Costs paid for directly by the individual for travel within in New Zealand or for international travel will be reimbursed on presentation of actual receipts.

### **4.2 Travel and attendance at conferences/ seminars/training programmes**

Prior approval is required for all attendances.

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:

- a) related expenditure being accommodated within existing budgets, and
- b) the appropriate approvals as outlined in this policy.

and excluding reimbursement for purchases from hotel mini-bars and charges for in-room video or cable movies.

All travel and accommodation arrangements for elected members are to be made by Governance Support officers with the 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.

### **4.3 Exceptional circumstances for council related meetings**

Staff may arrange overnight accommodation paid for by the Council 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.

### **4.4 Domestic air travel**

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.

#### **4.5 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 the Council.

The approval of the Council is required for exceptions, e.g., where Premium Economy or the equivalent air travel is desirable for health or other compelling reasons.

#### **4.6 Air points**

Council will not provide or maintain 'Airpoints' or 'Airdollars' subscriptions or programmes for elected members.

#### **4.7 Private accommodation provided by friends/relatives.**

- a) \$75 per night payment when staying in private accommodation, to cover accommodation, breakfast, and dinner; or
- b) \$50 per night payment when staying in private accommodation to cover accommodation only.

It is a requirement that this allowance when paid to the elected member, is paid to the accommodation provider.

#### **4.8 Parking expenses**

Reimbursement of casual carparking costs related to community board or council business.

This will be on receipt of a signed claim accompanied by a receipt.

### **5. ALLOWANCES FROM THE REMUNERATION AUTHORITY DETERMINATION**

#### **5.1 Vehicle-kilometre allowance**

(1) A local authority may pay to a member a vehicle-kilometre allowance to reimburse that member for costs incurred in relation to eligible travel.

(2) A member's travel is eligible for the allowance if—

- (a) it occurs at a time when the member is not provided with a motor vehicle by the local authority; and
- (b) the member is travelling—
  - (i) in a private vehicle; and
  - (ii) on local authority business; and
  - (iii) by the most direct route that is reasonable in the circumstances.

(3) The allowance payable to a member for eligible travel is, —

- (a) for a petrol or diesel vehicle, —

- (i) 95 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 34 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (b) for a petrol hybrid vehicle, —
    - (i) 95 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 20 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (c) for an electric vehicle, —
    - (i) 95 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 11 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.
- (4) However, if a member of a local authority travels from a place where the member permanently or temporarily resides that is outside the local authority area, to the local authority area on local authority business, the member is only eligible for a vehicle-kilometre allowance for eligible travel after the member crosses the boundary of the local authority area.

## 5.2 ICT allowances

### *Member uses local authority's ICT*

(1) If a local authority supplies ICT to a member for use on local authority business and allows for its personal use, the local authority may decide what portion, if any, of the local authority's costs reasonably attributable to such personal use must be paid by the member.

### *Member uses own equipment and consumables*

(2) If a local authority determines that a member requires particular ICT equipment to perform their functions and requests that the member use their own equipment for those purposes, the local authority may pay an allowance.

(3) The matters for which the local authority may pay an allowance, and the amounts that the local authority may pay for the determination term, are as follows:

~~(a) for the use of a personal computer, tablet, or laptop, including any related docking station, \$400:~~

(b) for the use of a multi-functional or other printer, \$50:

(c) for the use of a mobile telephone, \$200:

(d) for the use of ICT consumables, up to \$200.

### *Member uses own services*

(4) If a local authority requests a member to use the member's own Internet service for the purpose of the member's work on local authority business, the member is entitled to an allowance for that use of up to \$800 for the determination term.

- (5) If a local authority requests a member to use the member's own mobile telephone service for the purpose of the member's work on local authority business, the member is entitled, at the member's option, to—
- (a) an allowance for that use of up to \$500 for the determination term; or
  - (b) reimbursement of actual costs of telephone calls made on local authority business on production of the relevant telephone records and receipts.

### **5.3 Childcare allowance**

(1) A local authority may pay a childcare allowance to an eligible member as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business.

(2) A member is eligible to be paid a childcare allowance for childcare provided for a child only if—

- (a) the member is a parent or guardian of the child or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
- (b) the child is under 14 years of age; and
- (c) the childcare is provided by a person who—
  - (i) is not a parent of the child or a spouse, civil union partner, or de facto partner of the member; and
  - (ii) does not ordinarily reside with the member; and
- (d) the member provides evidence satisfactory to the local authority of the amount paid for childcare.

(3) A local authority must not pay childcare allowances to a member that total more than \$6,000 per child during the determination term.

### **5.4 Fees related to hearings**

(1) A member of a local authority or member of a board who acts as the chairperson of a hearing is entitled to be paid a fee of up to \$116 per hour of hearing time related to the hearing.

(2) A member of a local authority or member of a board who is not the chairperson of a hearing is entitled to be paid a fee of up to \$93 per hour of hearing time related to the hearing.

(3) For any period of hearing time that is less than 1 hour, the fee must be apportioned accordingly.

(4) This clause does not apply to—

- (a) a mayor or a member who acts as mayor and is paid the mayor's remuneration and allowances under [clause 8\(2\)](#); or
- (b) a chairperson of a regional council or a member who acts as chairperson of a regional council and is paid the chairperson's remuneration and allowances under [clause 8\(2\)](#).

**Relevant Legislation or Regulations:**

Public Audit Act 2001

Local Government Act 2002 (Legislative Compliance)

**Document Management Control:**

Prepared by: Chief Financial Officer

Date Issued: 16 October 2022