



# ELECTED MEMBERS ALLOWANCES AND EXPENSE REIMBURSEMENT POLICY

<b>Applicable to:</b>	Elected Members
<b>Issued by:</b>	Chief Executive
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## Purpose

The purpose of this policy is to provide a framework for allowances, expenses claimed, and resources available to elected members during their term of office.

## Scope

This Policy replaces all previous policies, rules and procedures relating to the expenses and allowances payable to elected members.

## Authentication of Expenses, Reimbursements and Allowances

Set out below are the principals and processes under which this Council ensures that expense reimbursements and allowances payable in lieu of expense reimbursements.

- a. *are in line with council policies*
  - b. *have a justified business purpose*
  - c. *are payable under clear rules communicated to all claimants*
  - d. *have senior management oversight*
  - e. *are approved by a person able to exercise independent judgement*
  - f. *are adequately documented*
  - g. *are reasonable and conservative in line with public sector norms*
  - h. *are in respect of allowances, a reasonable approximation of expenses incurred on behalf of the local authority by the elected member*
  - i. *are subject to both external and internal audit oversight*
- 1 *Council policy states that elected members should not be 'out-of-pocket' for expenses incurred in the course of their duties as an elected member (i.e. actual and reasonable costs are reimbursed).*
  - 2 *Members are required to obtain the approval of the Mayor and Chief Executive prior to incurring costs for any training, conference or travel where they will be seeking reimbursement of costs from the Council. The Mayor and Chief Executive will assess the business need / justification for the expenditure prior to approval.*
  - 3 *Members review and approve the policy early in each triennium.*
  - 4 *The Chief Executive is involved in the process described in 2 above. The Manager Finance undertakes periodic reviews of expenses reimbursements.*
  - 5 *All claims are to be submitted to the Governance Advisor who will check them against meeting attendance records and submit them for payment via the fortnightly payroll process. All claims are to be supported by evidence of meeting attendance and km travelled. For other costs (e.g. train tickets, parking in Wellington) full receipts are required.*
  - 6 *Policies set by Council reflect public sector norms of reasonableness and conservatism and are required to be aligned to the Remuneration Authority's guidelines.*

7 *Internal audit is incorporated into the Financial Accountant's overview of the payroll process and this includes checking members' expense claims for reasonableness.*

## **Vehicle Provided**

A vehicle is available for the Mayor to use. Full private use may be made, but will incur a deduction from the mayoral salary, as calculated based on the Remuneration Authority's formula for full private use.

For general Council business, Council fleet vehicles are available to members. In the case of trips of more than one night away, a rental vehicle may be used at Council's expense.

## **Mileage and Travel Allowances**

Rates of allowance paid for petrol/diesel/hybrid vehicles per kilometre are:

- a. *\$0.95 per km for the first 14,000 km per annum and*
- b. *\$0.34 per km for any distance over 14,000 km per annum (petrol/diesel)*
- c. *\$0.20 per km for any distance over 14,000 km per annum (hybrid)*

Rates of allowances paid for electric vehicles per kilometre are:

- a. *\$0.95 per km for the first 14,000 km per annum and*
- b. *\$0.11 per km for any distance over 14,000 km per annum.*

The rates are based on the maximum allowed by the Remuneration Authority

A vehicle mileage allowance will be payable, but only if –

- a. *A private vehicle is used i.e. there is no Council vehicle practically available*
- b. *The travel is to other than the Council offices*
- c. *The purpose of the travel is for Council business*
- d. *The travel claim is based on the direct route distance*
- e. *There is no reimbursement of costs that are chargeable to others*

Out of town meetings kms are based on a log book record.

The vehicle allowance is not subject to withholding tax.

## **Travel and Accommodation**

(excluding mileage claims – refer to Mileage and Travel Allowances)

### **Taxis, train fares and other transport**

Car parking, taxis, train fares, buses and shuttles will be reimbursed, only with a receipt and only where they are associated with Council-related meetings, training courses or conferences.

## **Carparks**

Councillors can use the Town Square car park whenever they are attending to Council business – a 'free parking' card will be issued and will need to be displayed.

## **Use of rental cars**

Rental vehicles maybe arranged via the Governance Advisor where time away and distance of travel make them an appropriate option to attend out-of-town meetings.

## **Air Travel Domestic**

The rules for domestic air travel are:

To be booked through the Council so expense is payable by the Council. Only to be used in association with Council-related training/ courses/ conferences.

## **Air Travel International**

No international air travel, funded by the Council, is anticipated under this policy.

## **Airline Clubs/ Airpoints/ Airdollars**

The Council has no subscription to airline clubs (such as the Koru Club). The Council does not accrue airpoints or airdollars earned on travel, accommodation etc. so they are not available for the private use of members.

## **Accommodation costs while away at conferences, seminars etc**

Actual and reasonable costs will be reimbursed.

Council would prefer that accommodation is booked and paid for via the Council to enable control over the 'reasonable' nature of the accommodation.

## **Private accommodation paid for by local authority**

No private accommodation (such as an apartment) is provided to any member by the Council.

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

No allowances are payable in respect of accommodation provided by friends/ relatives when travelling on Council business.

## **Entertainment and Hospitality**

The reasonable costs of hospitality or entertainment, where it relates to a Council function or Council hosting of visiting dignitaries (e.g. from a Sister City) will be reimbursed. No Council credit card is issued to any elected members.

## **Communications and Technology**

Equipment and technology provided to elected members

Equipment and technology provided to elected members for use at home and/or on council business?

Laptop/tablet**	YES / <del>NO</del>
Printer	<del>YES</del> / NO
Broadband	<del>YES</del> / NO
Consumables and Stationery (for printers)	<del>YES</del> / NO
Mobile Phone	<del>YES</del> / NO*
Other equipment or technology	<del>YES</del> / NO

\*The Mayor's cell phone will be on the Council Plan and a mobile device/tablet is available for use by the Mayor.

\*\*Technology advances in the area of smart phones and tablets has seen efficiencies in the distribution of documents using these devices. Members have the choice of being supplied with a device to use at Council meetings and to receive Council information. A communications and technology allowance will be paid as per below.

Home telephone rental costs and telephone calls (including mobiles)

No home telephone rental costs or call expenses are reimbursed.

Allowances paid in relation to communication and/or technology provided by elected member

A reimbursing allowance will be paid to recognise the cost members may incur to conduct Council business – including partial use of a personal mobile phone, mobile service and home broadband.

Where Council supplies a device, the allowance is set at \$28 per fortnight per member and is not taxable.

Where members have chosen to not be provided with a Council device the allowance is set at \$43 per fortnight.

### Professional Development, Clubs and Associations

Reasonable expenses will be reimbursed in respect of members' attendance at professional development courses, conferences and seminars.

Bookings are to be made through Council, and where possible, paid directly by the Council. Actual and reasonable costs incurred and paid directly by members will be reimbursed if receipts are available.

No expenses are reimbursed, or allowances paid in respect of subscriptions to clubs or associations.

## Childcare Allowances

Eligible members can claim a contribution towards childcare costs where they have responsibility for caring for children and have incurred payments to enable them to attend Council or Committee Meetings, briefings or workshops, other meetings where the member is Council's representative or meetings with community groups, subject to:

- a. *The maximum hourly value for reimbursement is to be equivalent to the current minimum wage.*
- b. *The child or children being cared for is/are under 14 years of age.*
- c. *The childcare is provided by a person who is not a family member of the elected member and does not ordinarily reside with the elected member.*
- d. *Evidence of payments made and received are to be appended to any expense claim for childcare.*
- e. *No more than \$6,000 per annum per child can be claimed*
- f. *Claims are approved by the Mayor.*

## Participation in Hearings Allowance

### **Allowance for Participating in Resource Consent or District Plan Hearings**

Hearings Commissioners are accredited by completing the Making Good Decisions certification.

Elected members who are accredited members are entitled to receive additional payments in addition to their annual remuneration for participating in a Resource Consent or District Plan hearings (as defined in the Local Government Members (2023/24) Determination 2023).

Council will pay the following hourly rate to Elected Members who participate in a hearing:

Chairperson:	\$116 per hour
Hearing Member:	\$93 per hour

Hearings commissioners can claim for the time preparing for the hearing, which is paid at the same rate as attending hearings. This can include:

- Time for reading
- Attending onsite meetings
- Attending pre-hearing briefings and meetings.

The chair of a hearing may also be paid for time spent writing up the decision or communicating for the purpose of the written decision.

Reimbursement for preparation should be reasonable and proportionate to the length of the hearing.

The Mayor cannot receive fees for participating in resource consent or district plan hearings.

Members are to claim by the quarter hour and must submit a valid claim form.

### **Allowance for Participating in District Licensing Committee meetings**

Elected members who are appointed members of the District Licensing Committee are entitled to receive additional payments in addition to their annual remuneration for alcohol licensing hearings under the Sale and Supply of Alcohol Act 2012

Council will pay the following hourly rate to elected members who participate in an alcohol licensing hearing or meeting:

Chairperson	\$78 per hour
Hearing/meeting member:	\$51 per hour

Members are to claim by the quarter hour and must submit a valid claim form

### **Other Expense Reimbursements and Allowances**

No other expense reimbursements are payable. The Council holds an insurance policy that covers the Mayor, Councillors and staff in case of accidental death. The benefits are payable to the Council.

### **Taxation of Allowances**

Any allowable mileage allowances are not subject to withholding tax deductions. Reimbursements of actual business expenses are not subject to withholding tax deductions.

### **Review of Policy**

This policy will be reviewed every 3 years at the beginning of each triennium. The amounts payable as an allowance in this policy will be adjusted automatically if changes are made by the Remuneration Authority.

### **Definitions**

- 1 *"Actual"* means as evidenced by the original receipt attached to the claim form.
- 2 *"Reasonable"* means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive.
- 3 *"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.
- 4 *"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.
- 5 *"Hearing"* means —
  - a. a hearing arising from a resource consent application made under section 88 of the RMA; or



- b. a meeting for determining a resource consent application without a formal hearing; or
- c. a hearing arising from a notice of requirement (including one initiated by the local authority); or
- d. a pre-hearing meeting held under section 99 of the RMA in relation to a hearing referred to in paragraph (b) or (d); or
- e. a hearing as part of the process of the preparation, change, variation, or review of a district or regional plan or regional policy statement; or
- f. a mediation hearing in the Environment Court as part of an appeal from a decision of a local authority; or
- g. a hearing on an objection against a charge fixed by a local authority under section 36 of the RMA.

## Related Documents

- Masterton District Council Sensitive Expenditure Policy

## References

- Local Government Act 2002
- Remuneration Authority Act 1977
- Local Government Members (2023/2024) Determination 2023

## Version Control

Version	Date	Summary of Amendments	Approved By
1.2	December 2019	Amendments to align with RA guidance with reimbursing allowances and childcare allowance added	Council
1.3	August 2020	Travel time allowance removed	Council
1.4	August 2021	ICT allowance amended to provide for own device use.	Council
1.5	26 October 2022	Amendments to align with RA guidance issued for the period following the October 2022 LG election.	Council
1.6	July 2023	Amendment of vehicle mileage reimbursement rates, as advised by RA	General Manager Finance
1.7	3 April 2024	Addition of allowances relating to Hearings and District Licensing Committee meetings	Council