

ELECTED MEMBERS' ALLOWANCES AND REIMBURSEMENTS POLICY

Approval and Review	Details
Approval authority	Chief Executive
Administrator	Group Manager Corporate
Effective date	1 April 2020
Next review date	1 December 2024

Version History

Date	Changes	By	Date Adopted
5 March 2020	Policy created – revamp of existing Councillors’ Allowances and Reimbursements Policy	Graham Bunn	
21 November 2022	Review of Elected Members Allowances and Reimbursement Policy after Election	Graham Bunn	

Purpose

This policy provides details of the allowances and expenses available to elected members during their term of office and details the process for reimbursement. The objective is to avoid unjustified expenditure and ensure transparency in the process for reimbursement.

Scope

Reimbursement of expenses apply only to Elected Members personally and only while they are acting in their official capacity as Elected Members.

Policy Statement

- This policy applies to all elected members. It is intended to be read alongside the Council's Sensitive Expenditure Policy, Travel and Accommodation Policy, Gifts and Koha Policy and Entertainment and Hospitality Policy. Elected members are expected to exercise proper and prudent behaviour in relation to expenditure. This includes being honest and accountable, and complying with expenditure controls. Relevant principles are:
 - There must be a justifiable business purpose
 - Expenditure decisions must preserve impartiality
 - Expenditure must be moderate and conservative, having regard to the circumstances, and
 - The process must be transparent and appropriate in all respects, it should be able to withstand public scrutiny and have appropriate approvals
- Claims must be considered reasonable. Any concerns regarding whether a claim is reasonable should be discussed with the Finance Manager prior to submitting a claim.
- Council officers will ensure good financial controls and scrutiny of expenditure in the administration of this policy and elected members are expected to exercise sound judgement and integrity.
- Details of allowances and expense claims are discoverable under the Local Government Official Information and Meetings Act (LGOIMA) 1987.

1. Definitions

Actual means as evidenced by the original receipt attached to the expenses reimbursement claim form

Council Business includes, but is not limited to, formal Council meetings, Committee meetings, workshops, Zone Committee meetings, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups and meetings with members of the public. It does not include events where the primary focus is on social activity.

Elected Members includes the Mayor, Councillors and Community Board Members

Expenses means actual and reasonable expenses including but not limited to accommodation, rental car, air travel, taxis, meals and non-alcoholic refreshments, parking and other such costs directly relating to the business of Otorohanga District Council.

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

Travel includes journeys made by air and sea, travel by taxi and travel by public transport, hire vehicle or private vehicle.

2. Authentication of expense reimbursements and allowances

- The process for reimbursement of claims includes the following principles:
 - Any expenses to be reimbursed must be on an actual and reasonable basis,
 - Expense claims for all Councillors and the Deputy Mayor are approved by the Mayor. The Mayors Expense Claims will be authorised by the Deputy Mayor with the independent chair of the Risk and Assurance committee reviewing them on a quarterly basis.
 - Full original receipts are required for all claims, and
 - Cost reimbursements will be made via the payroll system.
- 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 a mayoral vehicle, vehicle mileage, travel time, communications and childcare allowance, no limits set in this document exceed the Remuneration Authority's Determination.
- All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions

3. Allowances and Expenses

3.1 Communications Equipment

Position	Equipment
Mayor	Provision of a cell phone which includes full payment of the base rental and Council-related usage
Councillors	Provision of a tablet computer which includes full payment of the base rental and Council-related usage. Full technical support is approved. Provision of an annual allowance for any or all equipment provided by the elected member, as follows: <ul style="list-style-type: none">• \$50 for a printer• \$200 for a telephone (mobile or handset)• \$800 for internet service Total - \$1050

Position	Equipment
Community Board Members	Provision of an annual allowance for any or all equipment provided by the Community Board Member, as follows: <ul style="list-style-type: none"> • \$25 for a printer • \$100 for a telephone (mobile or handset) • \$400 for internet service Total - \$525 Where the member provides their own personal computer, tablet or laptop, including any related docking station an additional \$200 annual allowance will apply, bringing the total allowance to \$725.

3.2 Vehicle mileage

Mileage for approved Council business by an elected member will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination. Mileage may be claimed for either a petrol/ diesel vehicle or an electric vehicle.

The maximum mileage per kilometre payable to a member is for the first 14,000km of eligible travel in the determination term. For any distance over 14,000km of eligible travel in the determination term, the lower payment per kilometre applies.

Mileage will be paid to eligible members on receipt of a completed and signed mileage claim, and approved as per the process outlined in Clause 2 above.

3.3 Mayoral Vehicle

The mayor will have the option to be provided with a vehicle that will also be available for private use, provided the following conditions of use and eligibility are met:

- The mayor will not be able to claim for mileage if a vehicle is provided.
- The mayor must use the mayoral vehicle for travel to and from Council business.
- The mayor may suggest a vehicle for purchase but the vehicle must satisfy Council's Plant Purchasing Policy requirements. The maximum purchase price is available as per the Determination; (a) Petrol or diesel vehicle - \$55,000, or (b) Electric or hybrid vehicle - \$68,500. These prices are inclusive of goods and services tax and any on-road costs.
- The mayor will be provided with a fuel card to cover fuel costs. The mayor is expected to act prudently with the use of this card.

Usage Type

The mayor must determine the type of usage prior to the provision of the mayoral vehicle. The Determination sets out three types of usage:

Full private use – the vehicle:

- Is usually driven home and securely parked by the mayor;
- Is available for the mayor's unrestricted personal use; and
- Is used by the mayor for a mix of Council business; private use; and may also be used by other elected members or staff on Council business, with the permission of the mayor.

There will be a salary deduction as required by the Determination for this type of usage.

Partial private use – the vehicle

- Is usually driven home and securely parked by the mayor;
- Is used by the mayor for a mix of Council business and private purposes;
- May also be used by other local authority members or staff on Council business, with the permission of the mayor;
- Is used for private purposes accounting for no more than 10% of the vehicle's annual mileage; and
- All travel in the vehicle is recorded in a logbook.

There will be a salary deduction as required by the Determination for this type of usage.

Restricted private use – the vehicle

- Is usually driven home and securely parked by the mayor;
- Is otherwise generally available for use by other elected members or staff on Council business;
- Is used solely for Council business; and
- All travel in the vehicle is recorded in a logbook.

There is no deduction from the annual remuneration if the mayor opts for restricted private use.

3.4 Travel Time

As per the Sensitive Expenditure Policy, elected members are expected to consider the cost implications of travel. The most economical mode of transport, taking into account the cost of travel allowance, should be pursued.

Elected members are entitled to reimbursement at \$40.00 per hour for travel time (including travel to and from the member's residence) for travel undertaken on any one day to attend Council business with a minimum threshold of one hour of time travelled. Only time in excess of this threshold will qualify for payment and only if the travel is by the quickest form of transport reasonable in the circumstances.

3.5 Childcare allowance

Council will pay a childcare allowance to eligible elected members as per the Remuneration Authority determination 2022/23. This allowance is claims based, and claims must be submitted as soon as possible following the childcare. This allowance is intended as a contribution towards childcare costs for qualifying members when they are attending Council business.

Elected members will be paid a contribution for childcare while the member is engaged on Council business, provided the following conditions are met:

- The member is a parent or guardian of the child, or is the person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis).
- The child is aged under 14 years of age.
- The childcare is provided by a person who is not a family member of the member, and does not ordinarily reside with the member.
- The member provides evidence to Council of : the amount paid for childcare and the hours claimed, who (person or organisation) has provided the childcare, and the age of the child requiring care.

No more than \$6,000 per child will be paid in childcare allowances during the determination term.

Appendix 1 – Reimbursement of mileage

Councillors and the Mayor (if no mayoral vehicle)

Type of meeting/ function	Mileage	
	Paid	Not Paid
Official meetings of Council (any committee/ subcommittee reporting directly to Council)	✓	
Working groups (only paid to members of the working group)	✓	
Community Board meetings (other than the Council appointees)		✓
Community consultation meetings	✓	
Constituency “meetings” (either with individuals or organisations)		✓
Briefings and discussions with the mayor, chief executive, managers and officers	✓	
Statutory hearings (only if attendance requested)	✓	
Field trips or site visits/ inspections (including site visits for resource consent hearings where approved by mayor or Committee Chairperson)	✓	
Where councillors officiate at “official” functions as determined by the mayor	✓	
Conference/ seminars/ training within New Zealand (if an appointed representative)	✓	
Social events – including concerts, shows and sporting events		✓

Community Board Members

Type of meeting/ function	Mileage	
	Paid	Not Paid
Council meetings (ordinary, extra-ordinary and emergency)		✓
Community Board meetings	✓	
Community consultation meetings (only if attendance required)	✓	
Constituency “meetings” (either with individuals or organisations)		✓
Briefings and discussions with the mayor, chief executive, managers and officers	✓	
Conference/ seminars/ training within New Zealand (if an appointed representative)	✓	
Social events – including concerts, shows and sporting events		✓