

REMUNERATION AUTHORITY

Signed: .....

Date: .....

*[Handwritten signature]*  
*12/1/2016*



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## Northland Regional Council

### Elected Members' Expenses and Allowances Policy

May 2016

*(Refer to GM – Strategy and Governance for updates)*

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## 2 Preface

This manual has been established for Managers, Team Leaders and employees as a reference and to reinforce our Elected Members' Expenses and Allowances policies and procedures.

Elected Members' Expenses and Allowances Policy confirmed:



.....  
Chief Executive Officer  
Northland Regional Council

26 May 2016

## 3 Purpose of this Policy

### 3.1 General Purpose

In addition to remuneration, elected members of the Northland Regional Council are entitled as set out in this policy to:

- Claim actual and reasonable expenses, in full or in part;
- Vehicle mileage and travel time allowance;
- Communication allowance;
- Resource consent hearing fees (with exception of Chairman).

Elected members may choose not to claim these allowances or expenses.

### 3.2 Principle of Reimbursement

In general terms the payment of expenses is governed by evaluating a claim against the principle that elected members should not incur personal expense in the performance of their representational or governance functions and that fair and reasonable expenses incurred in the course of their representational or governance functions should be reimbursed by the council.

### 3.3 Claims for Expenses Not Covered by Policy

Claims for expenses other than those listed here will generally not be considered except in special circumstances. In the event that an elected member wishes to seek reimbursement for an expense not detailed in this policy, the Chief Executive Officer, or his officers, shall be guided by the Auditor-General's 2007 good practice guide on "Controlling Sensitive Expenditure: Guidelines for Public Entities" and advise the Chairman, who will make the final decision, or in the case of claims from the Chairman, the Deputy Chairman.

### 3.4 Evidence of Expenses

With the exception of mileage and travel time allowances, all other expense claims require supporting receipts. For mileage expenses, please refer to the policy statements in the "Vehicle Mileage and Travel Time Allowance" section of this policy.

All expense claims must:

- Clearly state the business purpose of the expenditure;
- Be accompanied by adequate original supporting documentation;
- Document the date, amount, description and purpose of minor expenditure when receipts are unavailable; and
- Be submitted promptly (within one month) after the expenditure is incurred.

### **3.5 Maximum amounts payable for mileage, travel and communication allowances**

Despite the inclusion of specific allowance values for mileage, travel and communications in this policy, maximum amounts payable will be automatically adjusted to match maximums fixed by the Remuneration Authority from time to time during the triennium.

## 4 Travel Expenses

### 4.1 Chairman's Car

1. Council will provide a vehicle, which may be garaged at the Chairman's home with full private use permitted. In accordance with Remuneration Authority methodology, a reduction in gross salary based  $\{ \{ \text{value of vehicle} \} \times 41\% \} \times \{ 20\% - \text{maximum deduction} \}$  will be made;
2. For the avoidance of doubt, the Chairman is entitled to claim under the policy provisions for 'Vehicle Mileage Allowance' in the event of the Chairman's private vehicle being used for Chairman duties.

### 4.2 Pool Cars

1. Elected members are entitled to make use of Northland Regional Council pool cars for use on official council business, in which case the 'Staff Vehicle Use Policy' shall apply.

### 4.3 Rental Vehicles

1. If a rental car is required by an elected member when travelling away from home on local authority business and a council pool car is not available, arrangement and payment for the vehicle shall be booked and arranged directly between the Northland Regional Council and the rental car company, with fuel expenses reimbursed to the elected member on production of receipts. Further, there should not be unreasonable or extensive private use of the vehicle. In these cases, "away from home" means outside of the Region; within the Region it is expected that a pool car would be used in the first instance.

### 4.4 Air Travel

1. If required, council will meet 100% of any air travel costs (or the equivalent airfare or mileage, whichever is the lower) required by an elected member, subject to that travel being necessary for the fulfillment of the member's role as directed and approved the Chairman, or the Deputy Chairman or the Chief Executive Officer in the Chairman's absence. Travel is to be booked and arranged by the Northland Regional Council.

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

1. Subscriptions to airline clubs (such as the Koru Club), shall be at each member's discretion and own expense, with the exception of the Chairman whose subscription shall be arranged by the Northland Regional Council.
2. Loyalty reward schemes such as airpoints or airdollars provide a benefit to the customer for continuing to use a particular supplier of goods and services. Where air travel is paid for by the council under this policy the loyalty reward will be treated as the property of council. Council will as far as practicable apply those rewards for the benefit of the council according to its documented procedures.

#### **4.6 Other Travel**

1. If required, council will reimburse or meet the actual and reasonable costs of any 'other travel' (e.g. ferry fares, bus fares, car parking fees, etc.) undertaken in the fulfillment of an elected member's role on official council business.
2. 'Other travel' expenses may be claimed for meetings, workshops, and conferences.

### **5 Conference & Training Costs**

1. If required, council will meet 100% of any conference fees or training costs required or incurred by an elected member, subject to that cost being necessary for the fulfilment of the member's role as directed and approved by the Chairman or by a resolution of council in a public meeting and arranged by Northland Regional Council. In the case of the Chairman, any conferences, training or meetings attended will be reported to Council monthly.

### **6 Accommodation Costs whilst away at Conferences, Seminars, etc.**

1. Council will meet 100% of any accommodation required by an elected member, subject to that accommodation being necessary for the fulfillment of the member's role as directed and approved by the Chairman or by a resolution of council in a public meeting and arranged by Northland Regional Council.
2. Reimbursements for mini-bar purchases or 'in-house' movies will not be made.



### **6.1 Meals and Sustenance, Incidental Expenses**

1. Meals purchased by an elected member while away from home on council business may be reimbursed for actual and reasonable costs, on production of receipts.
2. Meal expenses may not be claimed if a meal is provided as part of another package paid for by the entity.

### **6.2 Private Accommodation Paid For By Local Authority**

1. No private accommodation (e.g. apartments) will be provided to any member.

### **6.3 Private Accommodation Provided By Friends/Relatives**

1. An allowance of \$50 per night may be paid to an elected member for accommodation provided by friends/relatives of the elected member when travelling away from home on local authority business. The value of this allowance is commensurate with provisions in the staff policy.

### **6.4 Hospitality & Entertainment Allowances & Expenses**

1. Allowances or expenses reimbursement for hospitality and/or entertainment will only be considered where these are:
  - (a) Cost-effective and appropriate for the occasion;
  - (b) Approved by the Chairman and Chief Executive Officer or the Deputy Chairman and the Chief Executive Officer, in the case of the Chairman;
  - (c) Substantiated by appropriate documentation that includes receipts, names of parties entertained, and the reasons for the entertainment and hospitality.

### **6.5 Subscriptions to Clubs or Associations**

1. Expenses will not be reimbursed, nor allowances paid, in respect of membership of subscriptions to clubs or associations, except where there is a clear relationship between the elected member's role within the local authority and the club or association (e.g. Society of Local Government Managers).

## 7 Vehicle Mileage & Travel Time Allowance

### 7.1 Vehicle Mileage Allowance

1. A vehicle mileage allowance may be claimed in accordance with the Local Government Elected Members Determination for an elected member's use of their own vehicle, including travel to and from the members residence, if the travel is:
  - (a) In the member's own vehicle; and
  - (b) By the most direct route that is reasonable in the circumstances; and
  - (c) On the local authority's business; and
  - (d) In excess of 30 kilometres per day (for a round trip) and travel is to a Northland Regional Council office. For the avoidance of doubt, for other travel by members, no distance threshold will apply.
2. The vehicle mileage allowance is payable to elected members at the rate of \$0.74 per kilometre for the first 5,000 kilometres of qualifying mileage traveled in any one year and \$0.37 per kilometre thereafter.
3. Mileage claims must be made monthly.
4. A local authority's business is defined as:
  - (a) Public Council, Committee/Sub-Committee meetings as noted in the formal meeting calendar. Claims will only be paid for travel to such public meetings at which an elected member is entitled to vote, unless policy statement 4(c) below applies.
  - (b) Council, Committee/Sub-committee workshops, as noted in the formal meeting calendar. Claims will only be paid for travel to such workshops at which the elected member has been elected or appointed to the forum concerned, unless policy statement 4(c) below applies.
  - (c) Attendance at other meetings or workshops, conferences, site visits relating to an appointed portfolio, and civic functions. Travel claims outside of these areas will only be approved if there is evidence of prior approval of the Chairman (or Deputy Chairman in the Chairman's absence) or the Chief Executive Officer.

### 7.2 Travel Time Allowance

1. Council will pay a travel time allowance to its members for travel by a member, including travel to and from the member's residence, if the travel is:
  - (a) On the local authority's business;

- (b) By the quickest form of transport reasonable in the circumstances; and
  - (c) The travel time of the member exceeds 1 hour.
2. The allowance payable for each day under clause 1 is:
    - (a) \$37.50 per hour but
    - (b) only for the travel for that day that exceeds 1 hour.
  3. The Chairman of the Northland Regional Council is not entitled to claim a travel time allowance.
  4. Travel time allowance claims must be made monthly.

## 8 Communication Allowance

### 8.1 Provision of communication devices

1. The council will provide required communication devices (e.g. mobile phone, computer and/or tablet, scanner, printer, and any ancillary consumables or services, including standard internet connection) to elected members for the purpose of fulfilling their responsibilities. The cost of devices and service provision will be met by the council. Devices remain the property of the council and must be returned to the council at the Chief Executive's request. Devices may be replaced or updated triennially. Reimbursement of elected members' costs for any services or consumables in addition to those provided under this clause requires proof of expenditure and will be at the Chief Executive's discretion.
2. An elected member who uses their own communication devices, services and ancillary consumables may claim annual allowances as set out in the following table, **provided that** the total maximum allowance in a single year does not exceed \$1050. Reimbursement of costs for other ancillary consumables shall be on a cost recovery basis supported by proof of expenditure.

Item/Service	Maximum Allowance
PC, laptop, tablet hardware	\$150 per device
Printer hardware	\$40
Telephone hardware (mobile or handset)	\$60
Personal landline/internet connection service	\$250
Personal mobile phone connection, including calls, text and data	\$400

## 9 Credit Cards

1. The Chairman will be entitled to be issued with a Council credit card. The credit card may only be used for Council related expenditure and all expenditure must be supported by appropriate supporting documentation.
2. The Chairman of the Finance Committee will be responsible for authorising the Chairman credit card expenditure on a monthly basis. In the event that the Chairman of the Finance Committee benefits from the expenditure, the Deputy Chairman or another councilor not involved in the transaction shall approve the expenditure.

## 10 Resource Consent Hearing Fees

1. A member who acts as the chairperson of a non-council initiated resource consent hearing is entitled to be paid a fee of \$100 per hour of **hearing time**.
2. A member who is not the chairperson of a non-council initiated resource consent hearing is entitled to be paid a fee of \$80 per hour of **hearing time**.
3. For any period of hearing time that is less than 1 hour, the fee must be apportioned accordingly.
4. If the Chairman of the Northland Regional Council acts as the Chairperson of a resource consent hearing the Chairman is not entitled to be paid a fee.
5. The definition of resource consent hearing time is provided in the currently effective Local Government Elected Members Determination fixed by the Remuneration Authority

## 11 Tax Treatment

### Withholding Tax

1. Council is only required to deduct withholding tax from payments that it makes to members for any *work or services* that they perform.
2. Reimbursements that Council pays to members for expenditure incurred as an elected member while on Council-related business or any allowances that a member may receive from Council are *not* subject to withholding tax.

## 12 Appendix 1 - Definition of Resource Consent Hearing

As provided in the Local Government Elected Members (2012/13) Certain Local Authorities Determination 2012, for the purpose of Resource Consent Hearing Fees **Resource Consent Hearing** means:

- (a) *a hearing arising from a resource consent application made under section 88 of the Resource Management Act 1991; or*
- (b) *a hearing arising from a notice of requirement given under section 168 of the Resource Management Act 1991; or*
- (c) *a formal pre-hearing meeting held under section 99 of the Resource Management Act 1991 as a preliminary step before a hearing referred to in paragraph (a) or (b); or*
- (d) *a hearing relating to a private change in a district or regional plan or policy statement requested under clause 21 of Schedule 1 of the Resource Management Act 1991; or*
- (e) *a mediation hearing in the Environment Court as part of an appeal from a decision of a local authority; or*
- (f) *a hearing on an objection against a charge fixed by the local authority under section 36 of the Resource Management Act 1991.*

**A Resource Consent Hearing** does not include:

- (a) *a hearing of submissions as part of the process of preparation of a district or regional plan or policy statement; or*
- (b) *a hearing relating to a change or variation in a district or regional plan or policy statement requested by the local authority; or*
- (c) *a hearing relating to a notice of requirement initiated by the local authority; or*
- (d) *any other hearing not specified in subclause (1).*

**Hearing time** means:

- (a) *time spent by a member in hearing a resource consent hearing; and*
- (b) *includes the time spent by a member:*
  - i. *in formal committee deliberations; and*
  - ii. *at a formal pre-hearing meeting held under section 99 of the Resource Management Act 1991; and*

- iii. *at a formal site inspection as part of a group inspection or as part of a pre-hearing meeting; and*
- iv. *in determining a notified resource consent application where a formal hearing does not take place.*

**Hearing time does not include time spent by a member:**

- (a) preparing for a resource consent hearing; or*
- (b) inspecting a site, except where (b)(iii) above applies.*

26 May 2016

Fran Wilde  
Chair  
The Remuneration Authority  
PO Box 10084  
Wellington

By email: [info@remauthority.govt.nz](mailto:info@remauthority.govt.nz)

Dear Fran

#### **ALLOWANCE AND REIMBURSEMENT POLICY**

In accordance with the requirement that councils submit their Members Allowance and Reimbursement policy for the period 1/7/2017 to 30/8/2019 to the Remuneration Authority no later than 10 June 2016, I attach the Northland Regional Council's Elected Members' Expenses and Allowances Policy. This policy was formally ratified by council at its meeting on 17 May 2016.

I would like to draw your attention to, and specifically seek the Remuneration Authority's approval regarding, section 4.2 Pool Cars which states:

*'Elected members are entitled to make use of Northland Regional Council pool cars for use on official council business, in which case the 'Staff vehicle Use Policy' shall apply'.*

This is not a new provision and has previously been approved by the Remuneration Authority. Due to the significant travel accumulated by one of our councillors, we are applying this provision and allowing his use of a council pool vehicle, located at the council's Kaitiāia office, when travelling to attend official council business.

Yours sincerely



Malcolm Nicolson  
Chief Executive Officer

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