



Elected Members' Expenses and Allowances Policy

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| 27 February 2024 | Updated Meals and drinks allowances and expenses and Accommodation costs | Council resolution – dated 27 February 2024 |
| 30 July 2024 | Updated vehicle kilometre allowance | As per Local Government Members (2024/25) Amendment Determination 2024 |
| 1 October 2024 | Updated to include a mediation process (Section 2.8). | Council resolution 22 October 2024 |
| 26 November 2024 | Updated to include an approval process for expenses and allowances in the event the Chair/Deputy Chair is absent. | Council resolution 26 November 2024 |
| 22 April 2025 | Change to Section 2.4 'Evidence of Expenses' requiring expense claims to be submitted on or before the 20 th day of the following month after an expense is incurred. | Council resolution 22 April 2025 |
| 16 July 2025 | Updated for 2025/2026 Local Government Members Determination | Governance Specialist |

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1. Preface

This manual has been established as a reference and to reinforce our Elected Members' Expenses and Allowances policies and procedures. It should be read in conjunction with the 'Local Government Members (2025/26) Determination 2025'. This can be accessed using the following link:

<https://www.legislation.govt.nz/regulation/public/2025/0140/latest/LMS1450225.html>

2. Principles of the policy

2.1 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 kilometre and travel time allowance;
- Information and Communications Technology (ICT) allowance;
- Hearing fees (with exception of the Chair); and
- Childcare allowance

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

2.2 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.

2.3 Claims for expenses not covered by policy

Claims for expenses other than those listed in this policy 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, approval must be sought prior to the expense being incurred and shall be guided by the Auditor-General's 2007 good practice guide on "Controlling Sensitive Expenditure: Guidelines for Public Entities".

2.4 Evidence of expenses

With the exception of vehicle kilometre, travel time and annual ICT allowances, all other expense claims require supporting receipts. For vehicle kilometre expenses, please refer to Section 6 of the 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; on or before the 20th day of the following month after the expenditure is incurred. For example, if an expenditure is incurred by an elected member between 1 - 31 March, the claim for its reimbursement must be submitted on or before 20 April (being the following month).

2.5 Maximum amounts payable for vehicle kilometre, travel and ICT allowances

Despite the inclusion of specific allowance values for vehicle kilometre, travel and ICT 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.

2.6 Definition of local authority business

1. A local authority's business is defined as:
 - a) Council, committee/sub-committee, working party/working group meetings and workshops as noted in the formal meeting calendar. Claims will only be paid for travel to such public meetings at which an elected member has been elected or appointed to the forum concerned to represent the council, unless policy statement 2.6.1(b) below applies.
 - b) Attendance at other meetings, workshops, conferences, site visits and civic functions relating to an appointed portfolio. Claims outside of these areas will only be approved if there is evidence of prior approval.

2.7 Approval of expenses and business activities for which expenses can be claimed

All expenses, and business activities¹ for which expenses can be claimed, must be necessary for the fulfillment of the member's role and must be approved by:

- a. The Chair and the Chief Executive Officer²; or
- b. The Deputy Chair and the Chief Executive Officer³ in the absence of the Chair and for the Chair's expense claims; or
- c. The Members Expenses and Allowances Panel (MEAP) (refer to Section 2.8) in the absence of either the Chair or Deputy Chair to perform the functions above (a. and b.); or
- d. By formal resolution of council at a meeting open to the public.

2.8 Mediation process for expense claims

Each triennium council will formally appoint three councillors to the Members Expenses and Allowances Panel (MEAP). The membership of MEAP is for the duration of the triennium unless council formally resolves otherwise. For the avoidance of doubt the Chair of council cannot be a member of MEAP.

In the event an elected member challenges a ruling under Section 2.7a or Section 2.7b of the Policy:

- a. The matter will be referred to (MEAP) for a determination.

¹ For the avoidance of doubt business activities refers to air travel (Section 3.4), other travel (Section 3.6) and conference and training costs (Section 4.0).

² The Chief Executive Officer or their delegate as the Acting Chief Executive Officer.

- b. If the elected member challenging a ruling is a member of MEAP they must withdraw from the decision making process (Section 2.8a above).
- c. If MEAP cannot reach a consensus decision then the original ruling under Section 2.7a or Section 2.7b remains in effect.

3. Travel expenses

3.1 Chair's car

1. Council will provide a vehicle with full private use³ permitted. In accordance with Remuneration Authority methodology, a reduction in gross salary based $\{ \{ \text{actual purchase price of vehicle} \} \times 41\% \} \times \{ 20\% \}$ will be made;
2. The maximum purchase price that may be paid for a motor vehicle purchased for provision to a regional chairperson is:
 - a) In the case of a petrol or diesel vehicle, \$60,000; and
 - b) In the case of an electric or hybrid vehicle, \$70,500

To note purchase price means the amount paid for the vehicle:

- a) including goods and services tax and any on road costs; and
 - b) after deducting the amount of any rebate that applies under the clean car discount scheme in respect of the purchase of the vehicle.
3. In the case where the Chair decides that they will use their own private vehicle, instead of being provided one by council, they are eligible to claim vehicle-kilometre allowances in the same manner as any member of the local authority (refer to Section 6).⁴

3.2 Pool cars

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

3.3 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. Furthermore, 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.

³ For the avoidance of doubt the definition of 'full private use' is in accordance with the Local Government Members Determination 2021 as follows:

- a) The vehicle is usually driven home and securely parked by the regional chairperson; and
- b) The vehicle is available for the regional chairperson's unrestricted personal use; and
- c) The vehicle is used by the regional chairperson for a mix of local authority business and private use; and
- d) The vehicle may also be used by other local authority members or staff on local authority business, with the permission of the regional chairperson

⁴ Note the Chair is not eligible to claim travel time allowances because the role of Chair is considered to be full time and is remunerated accordingly.

3.4 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 section 2.7). Travel is to be booked and arranged by the Northland Regional Council.

3.5 Subscriptions and loyalty reward schemes

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 Chair 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.

3.6 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.) required by an elected member to undertake local authority business.
2. 'Other travel' expenses may be claimed for meetings, workshops, and conferences provided there is evidence of prior approval (subject to Section 2.7).

4. Conference and training costs

1. If required, council will meet 100% of any conference fees or training costs required or incurred by an elected member and arranged by Northland Regional Council (subject to Section 2.7). In the case of the Chair, any conferences, training or meetings attended will be reported to council monthly.

5. Costs whilst away on council business

5.1 Accommodation costs

1. Council will meet 100% of any accommodation required by an elected member, subject to Section 2.7, as follows:
 - a. When local authority business spans multiple days and the cost of the accommodation and meals (refer to Section 5.4) is more cost-effective than the equivalent claims for vehicle kilometre and travel time allowances if the elected member was to travel to and from their point of residence using their own vehicle (refer to Sections 6.1 and 6.2 of the policy).
 - b. When local authority business is on a single day and an elected member would be required to travel in excess of five hours to travel to and from their point of residence using their own vehicle by the most direct route that is reasonable in the circumstances.
2. Reimbursements for personal expenses such as movies, additional alcohol, mini bar charges, massages, and additional hotel facilities will not be reimbursed.

5.2 Private accommodation paid for by local authority

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

5.3 Private accommodation provided by friends/relatives

1. An allowance of \$70 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.
2. If an elected member stays in accommodation provided by friends/relatives they are still eligible to claim meal allowances.

5.4 Meals and drinks allowances and expenses

1. Standard overnight allowance to cover meals and drinks is \$137, as follows:
 - Breakfast \$31 or at the value charged by the accommodation booking, if this is charged back to the booking.
 - Lunch \$25
 - Dinner \$65
 - Alcoholic drink (one with dinner \$16).⁵

These allowances are intended to cover elected members' expenses for their 'nourishment' while on local authority business and the value of this allowance is commensurate with provisions in the staff policy.

2. 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.
3. Meal expenses may not be claimed if a meal is provided as part of another package paid for by the entity.

5.5 Hospitality and entertainment allowances and expenses

1. Allowances or expenses reimbursement for hospitality and/or entertainment will only be considered where these are:
 - a) Associated with local authority business and cost-effective and appropriate for the occasion; and
 - b) Prior approval is sought; and
 - c) Substantiated by appropriate documentation that includes receipts, names of parties entertained, and the reasons for the entertainment and hospitality.

5.6 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. Taituarā).

⁵ Meals and drink allowances to be inflation adjusted annually.

6. Vehicle kilometre and travel time allowance

6.1 Vehicle kilometre allowance

1. A vehicle kilometre 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 member's residence, if the travel is:
 - a) At a time when the member is not provided with a motor vehicle by the local authority;
 - b) In a private vehicle;
 - c) On local authority business; and
 - d) By the most direct route that is reasonable in the circumstances; and

2. The vehicle kilometre allowance is payable to elected members at the following rates:
 - a) for a petrol or diesel vehicle, -
 - (i) \$1.04 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 35 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
 - b) for a petrol hybrid vehicle, -
 - (i) \$1.04 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 21 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
 - c) for an electric vehicle, -
 - (i) \$1.04 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 12 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.

3. 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.

4. Mileage claims must be made monthly.

6.2 Travel time allowance

1. Council will pay a travel time allowance to its members (other than the regional council Chair) for travel by a member, including travel to and from the member's residence, if the travel is:
 - a) Within New Zealand;
 - b) On the local authority's business;
 - c) By the quickest form of transport reasonable in the circumstances; and

- d) By the most direct route that is reasonable in the circumstances
2. The allowance payable for each day under clause 1 is:
 - a) \$41.30 per hour; but
 - b) only for the travel for that day that exceeds 1 hour.
 3. However, if a member of a local authority permanently or temporarily resides outside the local authority area and travels to the local authority area on local authority business, the member is only eligible for a travel time allowance in respect of eligible travel time:
 - a) After the member crosses the boundary of the local authority area; and
 - b) After the first hour of eligible travel within the local authority area.
 4. The maximum amount of travel time allowance that a member may be paid for eligible travel in a 24 hour period is eight hours.
 5. Travel time allowance claims must be made monthly.

7. Information and Communications Technology (ICT) allowance

7.1 Provision of ICT devices

1. The council will provide required ICT devices (e.g. mobile phone, computer /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 ICT devices, services and ancillary consumables may claim annual allowances as set out in the following table. Reimbursement of costs for other ancillary consumables shall be on a cost recovery basis supported by proof of expenditure.

| Item/Service | Maximum Allowance (for the determination term) |
|--|---|
| Personal Computer or tablet or laptop hardware (including any related docking station) | \$400 one device only |
| Printer (hardware) | \$50 |
| Mobile telephone (hardware) | \$200 |
| ICT consumables | \$200 |
| Personal internet connection service | \$800 |
| Personal mobile phone connection service, including calls, text and data | \$500 (or reimbursement of actual costs of calls made on local authority business upon production of relevant telephone records and receipts) |

3. All costs reasonably attributable to the personal use of a mobile phone and related mobile services supplied by council must be paid by the elected member.

8. Childcare allowance

1. A childcare allowance may be claimed in accordance with the Local Government Elected Members Determination for childcare provided while the member is engaged in local authority business (as defined in section 6.1(4)).
2. A member is eligible to be paid childcare allowance in respect of 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 the responsibility for the day-to-day care of the child (other than on a temporary basis); and
 - b) the child is aged 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. The amount payable for childcare allowances to a member must not total more than \$7,500 per annum, per child.

9. Credit Cards

1. The Chair 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 Deputy Chair will be responsible for authorising the Chair's credit card expenditure on a monthly basis. In the event that the Deputy Chair benefits from the expenditure, another councillor not involved in the transaction shall approve the expenditure.

10. Hearing fees

1. A member who acts as the chairperson of a hearing is entitled to be paid a fee of \$130 per hour of **hearing time**.
2. A member who is not the chairperson of a hearing is entitled to be paid a fee of \$104 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. The Chair of the Northland Regional Council or a member who acts as Chair of the regional council and is paid the Chair's remuneration is not entitled to hearing fees.
5. The definition of a hearing and 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.

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