



Elected Members' Expenses and Allowances Policy

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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 (2019/20) Determination 2019'. This can be accessed using the following link:

<http://legislation.govt.nz/regulation/public/2019/0135/latest/LMS211368.html?src=qs>

2. Purpose 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 mileage and travel time allowance;
- Communication allowance;
- Hearing fees (with exception of Chairman);
- Childcare allowance

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

2.2 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.

2.3 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 their Deputy, shall be guided by the Auditor-General's 2007 good practice guide on "Controlling Sensitive Expenditure: Guidelines for Public Entities" and advise the Chair, who will make the final decision, or in the case of claims from the Chair, the Deputy Chair.

2.4 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.

2.5 Maximum amounts payable for mileage, travel and communications 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.

3. Travel expenses

3.1 Chair's car

1. Council will provide a vehicle with full private use ¹permitted. In accordance with Remuneration Authority methodology, a reduction in gross salary based $\{ \{ \text{actual purchase price of vehicle} \} \times 41\% \} \times \{ 20\% - \text{maximum deduction} \}$ 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, \$55,000 (including goods and services tax and any on-road costs); and
 - b) In the case of an electric or hybrid vehicle, \$65,000 (including goods and services tax and any on-road costs).

3.2 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.

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. 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.

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 that travel being necessary for the fulfillment of the member's role as directed and approved the Chair, or the Deputy Chair or the Chief Executive Officer in the Chair's absence. Travel is to be booked and arranged by the Northland Regional Council.

¹ For the avoidance of doubt the definition of 'full private use' is in accordance with the Local Government Members Determination 2018 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 mayor or regional chairperson

3.5 Pool cars

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.) 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.

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, subject to that cost being necessary for the fulfilment of the member's role as directed and approved by the Chair or by a resolution of council in a public meeting and arranged by Northland Regional Council. In the case of the Chair, any conferences, training or meetings attended will be reported to council monthly.

5. Accommodation costs whilst away at conferences 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 Chair 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.

5.1 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.

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 \$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.

5.4 Hospitality and entertainment allowances and 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 Chair and Chief Executive Officer or the Deputy Chair and the Chief Executive Officer;
 - c) Substantiated by appropriate documentation that includes receipts, names of parties entertained, and the reasons for the entertainment and hospitality.

5.5 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).

6. Vehicle mileage and travel time allowance

6.1 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 member's 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.

2. The vehicle mileage allowance is payable to elected members at the following rates:
 - a) for a petrol or diesel vehicle, -
 - (i) 79 cents per kilometer for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 30 cents per kilometer after the first 14,000 kilometres of eligible travel in the determination term:
 - b) for a petrol hybrid vehicle, -
 - (i) 79 cents per kilometer for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 19 cents per kilometer after the first 14,000 kilometres of eligible travel in the determination term:
 - c) for an electric vehicle, -
 - (i) 79 cents per kilometer for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 9 cents per kilometer after the first 14,000 kilometres of eligible travel in the determination term.

3. Mileage claims must be made monthly.

4. A local authority's business is defined as:
 - a) Council, committee/sub-committee, working party/working group meetings 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 4(c) below applies.
 - b) Council, committee/sub-committee, working party/working group 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 Chair (or Deputy Chair in the Chair's absence) or the Chief Executive Officer.

6.2 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; and
 - b) By the quickest form of transport reasonable in the circumstances; and
 - c) By the most direct route that is reasonable in the circumstances
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. However, if a member of a local authority 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. Communication allowance

7.1 Provision of communication devices

1. The council will provide required communication 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 communication 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 laptop or tablet hardware | \$200 one device only |
| Printer hardware | \$40 |
| Mobile telephone (hardware) | \$150 |
| Personal I/internet connection service | \$400 |
| Personal mobile phone connection service, including calls, text and data | \$400 (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 7.1(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 family member 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 \$6,000 per annum, per child.
4. A family member of the member is defined as:
 - a) a spouse, civil union partner, or de facto partner;
 - b) a relative, that is, another person connected with the member within two degrees of a relationship, whether by blood relationship or by adoption.

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 \$100 per hour of **hearing time**.
2. A member who is not the chairperson of a 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. 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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