

# Elected Members' Remuneration and Reimbursements Policy

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| <b>Groups responsible:</b> | <b>Governance and Democracy, Finance</b> |
| <b>Date approved:</b>      | <b>13 Dec 2023</b>                       |
| <b>Date implemented:</b>   | <b>13 Dec 2023</b>                       |
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## Purpose

The Elected Members' Remuneration and Reimbursements Policy (the policy) sets out elected members remuneration and entitlement of elected members to allowances and contributions towards expenses during their term of office for Southland District Council (Council).

This policy ensures that all remuneration and allowances paid to elected members are in accordance with the Local Government Elected Members' Determination (determination) issued by the Remuneration Authority for the appropriate year.

## Background

The Local Government Act 2002 provides for the Remuneration Authority (the authority) to determine the remuneration, allowances, and rules for reimbursing expenses incurred by all local authority elected members.

Prior to the local body term, the authority undertakes a review of the settings for elected member remuneration and allowances, in consultation with councils. Following this review, an annual determination is then issued prior to 30 June each year, which may result in adjustments to the level of remuneration received.\*

Actual and reasonable expenses incurred by elected members while undertaking Council business will be reimbursed in line with this policy.

The attached schedule of remuneration (Appendix A) is updated annually to reflect the latest determination issued by the authority.

If inconsistencies arise between this policy and the determination in regards to remuneration and allowance rates, Council will make payments to elected members in accordance with the relevant determination. Where there is a range outlined in the determination, Council will make payments to elected members in accordance with the policy unless the policy amount does not fall within the range specified in the determination. If the policy amount does not fall within the range specified in the determination, Council will pay the lowest amount stipulated in the range.

Council approved allowances must be included in this policy and published on Council's website.

\*These adjustments may take account of data collected by the State Services Commission on public and private sector remuneration movements, any major legislative changes in the role of elected members and feedback from the sector.

## Principles

The payment of allowances and expenses to elected members by Council is made in accordance with the Auditor General's guidance for a principles based approach for sensitive expenditure<sup>1</sup>.

The principles are that expenditure decisions:

- have a justifiable business purpose
- preserve impartiality
- are made with integrity
- are moderate and conservative, having regard to the circumstances
- are made transparently and
- are appropriate in all respects.

All allowance and expense claims will be approved as follows:

| <b>CLAIM BY</b>        | <b>APPROVED BY</b>  |
|------------------------|---|
| Mayor                  | Chair of Finance and Assurance Committee                        |
| Deputy mayor           | Mayor   |
| Councillors            | Mayor or deputy mayor   |
| Community board member | Mayor or deputy mayor   |
| Subcommittee member    | Mayor, deputy mayor or chair of Finance and Assurance Committee |

## Definitions

|                        |   |
|------------------------|---|
| Actual                 | Means as evidenced by the original receipt attached to the claim form.  |
| Community board member | Means any elected member of the nine community boards throughout the Southland District.  |
| Subcommittee member    | Means any elected member of a Council appointed subcommittee.   |
| Council business       | Includes: formal Council and community board meetings, committee and subcommittee meetings, workshops, 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. |

<sup>1</sup> <https://oag.parliament.nz/2020/sensitive-expenditure/docs/sensitive-expenditure.pdf>

|                        |  |
|------------------------|--|
| Council office         | Means any of the Council offices throughout the Southland District. These are: Invercargill, Wyndham, Riverton, Stewart Island/Rakiura, Te Anau, Otautau, Lumsden and Winton. Where community board or subcommittee meetings are held at a regular venue other than a Council office, this location will be deemed to be a Council office for the purposes of this policy.   |
| Elected member         | Means any of the councillors or community board members.   |
| Hearing                | Has the same meaning as s.5 of the Local Government Members Determination for the year to which it applies, and includes resource consent hearings; pre-hearing meetings held under s.99 of the Resource Management Act 1991 (RMA); a hearing as part of the process of the preparation, change, variation, or review of a district plan; a mediation hearing in the Environment Court as part of an appeal process and a hearing on an objection against a charge fixed by a local authority under s.36 of the RMA. |
| Reasonable             | Means that it is within the amount specified by this policy or as deemed reasonable by the mayor and/or chief executive.   |
| 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.  |

## Remuneration

Elected members shall receive remuneration as determined by the authority, outlined in Appendix A.

Councillors who are appointed as chairs on a community board receive no additional remuneration.

Elected members who sit on resource management or District Plan hearing receive meeting fees as determined by the authority, outlined in Appendix A.

Elected members will not receive any additional remuneration for their roles on Council committees or subcommittees beyond that outlined in Appendix A.

No remuneration is payable to those appointed to subcommittees of Council.

Any allowances not currently included in this policy will be subject, in the first instance, to the criteria set by the relevant annual determination.

## Mileage allowance

The mayor will be provided with a vehicle that will also be available for his/her private use. A deduction will be made from his/her salary as determined by the authority. The mayor will not be able to claim for vehicle mileage.

A mileage claim can be made where an elected member is travelling on Council business and is travelling in his/her own vehicle and is taking the most direct route reasonable in the circumstances.

Where possible every effort should be made to share transport and reduce costs.

Mileage claims are based on travel from the elected member's normal residence to the meeting place.

Mileage allowance will be paid as follows:

- (a) for travel to any Council office, mileage allowance will be paid for kilometres travelled beyond 15 km each way (ie, a 30 km round trip). This distance is calculated from the elected member's place of residence to the Council office.
- (b) for all other Council related travel, mileage allowance will be paid for the total kilometres travelled from the elected member's place of residence.

For travel to any Council office where distance does not exceed 15 km each way (ie, a 30 km round trip), no mileage allowance will be paid.

Mileage claims for travel are ineligible from outside the local authority area, eligibility begins once the elected member crosses the boundary of the local authority area.

The mileage rate will be paid at the full rate determined by the authority, outlined in Appendix A.

## Travel time allowance

Elected members can claim a travel time allowance for travel within New Zealand on Council business.

The mayor is not eligible for this allowance because the role is deemed to be full time and remuneration set accordingly.

Council will pay the travel time allowance set by the authority for all eligible travel claimed by an elected member, as outlined in Appendix A.

An elected members' travel is eligible for the travel time allowance if:

- the elected member is travelling on Council business
- the elected member uses the quickest form of transport that is reasonable and
- the most direct route reasonable is taken.

Elected members cannot claim for the first hour of eligible travel.

The maximum total amount of travel time allowance that an elected member may be paid for eligible travel in a 24-hour period is eight hours.

## Communications

The mayor and councillors are provided with a tablet (or similar). Full technical support is provided where related to Council business. No allowance is payable in respect of items provided by Council.

The mayor is provided with a mobile phone and full payment of all expenses related to the use of the mobile phone.

Council will pay annual allowances in recognition of elected members' use of personal communication equipment and services for Council business as set out in Appendix A.

## Childcare allowance

Elected members can claim a childcare allowance as a contribution towards expenses incurred by the member for childcare while the member is engaged on Council business.

Elected members are eligible for the allowance if:

- they are engaged in Council business at the time of the childcare
- they are the parent or guardian of the child, or usually has day-to-day responsibility for the care of the child and
- the child is under 14 years of age
- the childcare must be provided by someone who is not a family member of the elected member and does not ordinarily reside with the elected member
- evidence of payment made and received is appended to the expense claim.

Elected members must provide a child care reimbursement form for all claims to mayoral support, at least quarterly, to be eligible for reimbursement.

Eligible elected members can claim up to \$6,000 per year for each child if the childcare meets the criteria above.

## Expenses

From time to time elected members incur expenses in their undertaking of Council business which need to be reimbursed. This reimbursement applies only to elected members personally, and only while they are acting in their official capacity as elected members.

In incurring and claiming these expenses, elected members will abide by the principles of this policy (see 'principles' section).

An expense reimbursement form is to be completed and returned to mayoral support at least quarterly, and attach full GST receipts for all expense claims.

All expense claims submitted by elected members are to be approved according to the approval table set out in the 'principles' section of this policy.

Council's internal audit work programme will include sampling of allowances and expense claims paid to elected members.

Any expenses not currently included in this policy will be subject in the first instance to the criteria set by the relevant determination.

All expense reimbursements will be made via Council's payroll system.

No costs will be reimbursed where they are chargeable to others, including private companies.

Expenses for electioneering will not be reimbursed.

## Conferences, seminars and training

Conferences, courses, seminars or training events must contribute to the elected members' ability to carry out Council business.

All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at conferences, courses, seminars or training events, held both within New Zealand and overseas, subject to:

- (a) related expenditure being accommodated within existing budgets, and
- (b) the appropriate approvals as outlined in this policy.

Prior approval according to the table set out in the 'principles' section of this policy is required for conferences, seminars and training within New Zealand. Attendance at conferences, courses, seminars or training events held overseas must be approved by Council prior to travel.

## Travel and accommodation

Travel arrangements are to be made through mayoral support.

Where possible costs will be charged to Council; otherwise all fair and reasonable costs will be reimbursed.

Travel will be arranged in a manner that represents public value in consideration of location, timing and cost. As appropriate, Council may choose to arrange air travel, travel by hire vehicle, travel by sea, travel by taxi or travel by bus.

TaxiCharge cards issued for travel to approved meetings or conferences are to be used only for business purposes of Council. Where a TaxiCharge card has been used for purposes other than travel to approved meetings and conferences, any claim must be accompanied by appropriate documentation and reasons for the claim.

International air travel by an elected member is by way of economy class. The approval of Council is required for exceptions. Stopovers during international air travel will be pre-approved on a case-by-case basis. Council may pay for the cost of a stopover where it has a clear business purpose, be moderate and conservative.

Elected members can claim \$50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that at least a portion of this allowance is paid to the accommodation provider.

Council will not usually pay for travel costs of accompanying spouses, partners or other family members. In the rare circumstances that involvement of a spouse directly contributes to a clear Council business purpose, the spouse's travel is to be pre-approved.

### Airline and travel loyalty programmes

The mayor will receive an annual membership to the Air New Zealand Koru Club, recognising the frequent travel requirements of the role.

Council will follow the Auditor General expectations, as a public organisation accountable to ratepayers, with respect to airline and travel loyalty schemes. Accruing points from Council-related travel can have significant personal benefit and Council needs to manage this risk.

Accordingly, elected members will not accumulate loyalty programme rewards when travelling on Council business. This will be managed by Council's authorised travel arranger.

## Meals, beverages and incidentals

Elected members can claim actual and reasonable meal costs (excluding alcohol) incurred while the member is engaged on Council business. Reasonable meal costs will be met. In general the total cost (including beverages) is not expected to exceed:

- breakfast - \$30.00
- lunch - \$30.00
- dinner - \$60.00

Meal expenses cannot be claimed if a meal is provided as part of another package paid for by Council. For example, when lunches or dinner are included in conference registration, or are catered for as part of Council meetings.

Purchases from hotel mini-bars will not be reimbursed.

## Gifts, hospitality and entertainment

Gifts may be given by elected members on behalf of Council, such as a thank you for a speech or presentation. Gifts must not be given in substitution for legitimate payment or remuneration.

Gifts that are given on behalf of Council should not exceed \$100 in value. Prior approval must be sought.

With prior approval, elected members can claim actual and reasonable costs incurred while hosting official visitors to Council. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided and approved as per the 'principles' section of this policy.

Alcohol purchases will not be reimbursed.

## Policy review

A formal review of this policy will be undertaken within three years of it being implemented/reviewed.

## Appendix A - Schedule of remuneration and reimbursement amounts

### Remuneration of the mayor and councillors

|  |                           |
|--|---------------------------|
| Mayor  | \$131,925.04 <sup>2</sup> |
| Deputy mayor                                     | \$49,327                  |
| Councillor (with no additional responsibilities) | \$37,944                  |
| Councillor (minimum allowable remuneration)      | \$30,472                  |

### Remuneration of community boards

|  | CHAIRPERSON | MEMBER  |
|--|-------------|---------|
| Waihopai Toetoe Community Board        | \$10,495    | \$5,248 |
| Oraka-Aparima Community Board          | \$8,652     | \$4,326 |
| Stewart Island/Rakiura Community Board | \$4,282     | \$2,141 |
| Fiordland Community Board              | \$9,847     | \$4,924 |
| Tuatapere Te Waewae Community Board    | \$7,556     | \$3,778 |
| Wallace Takitimu Community Board       | \$9,199     | \$4,599 |
| Oreti Community Board                  | \$11,148    | \$5,574 |
| Ardlussa Community Board               | \$8,010     | \$4,005 |
| Northern Community Board               | \$7,744     | \$3,872 |

### Fees related to RMA hearings

|   |                                |
|---|--------------------------------|
| Elected member who is chairperson of a hearing: | \$116 per hour of hearing time |
| Elected member not chairperson of a hearing     | \$93 per hour of hearing time  |

The mayor or a member acting as mayor will not receive meeting fees for hearings.

### Communications allowances

Councillors shall receive:

- \$200 p.a. for the use of a personally owned mobile phone (equipment)
- \$50 p.a. for the use of a personally owned printer (equipment)
- \$400 p.a. for internet (services)
- \$500 p.a. for mobile phone services OR or reimbursement of actual costs of telephone calls made on Council business upon production of the relevant telephone records and receipts (at councillors option) (services)

Community board chairs shall receive:

- \$400 p.a. for the use of a personally owned tablet or similar (equipment)
- \$200 p.a. for the use of a personally owned mobile phone (equipment)
- \$50 p.a. for the use of a personally owned printer (equipment)
- \$400 p.a. for internet (services)
- \$500 p.a. for mobile phone OR or reimbursement of actual costs of telephone calls made on Council business upon production of the relevant telephone records and receipts (at councillors option) (services)

<sup>2</sup> After adjustment for private use of motor vehicle of \$2,988.96.

Community board members shall receive:

- \$400 p.a. for the use of a personally owned tablet or similar (equipment)
- \$50 p.a. for the use of a personally owned printer (equipment)
- \$400 p.a. for internet (services)

### **Vehicle Mileage Allowance**

| <b>vehicle type</b>      | <b>first 14,000km of eligible travel</b> | <b>after 14,000km of eligible travel</b> |
|--------------------------|--|--|
| petrol or diesel vehicle | 95 cents per km                          | 34 cents per km                          |
| petrol hybrid vehicle    | 95 cents per km                          | 20 cents per km                          |
| electric vehicle         | 95 cents per km                          | 11 cents per km                          |

### **Travel time allowance**

Travel time allowance is paid at a rate of \$40 per hour for travel that exceeds one hour per day. Travel time is payable to elected members who are not considered to be full time and is only payable for travel relating to Southland District Council business. Travel time allowance is payable in respect of the quickest form of transport reasonable in the circumstances. Maximum of 8 hours in a 24 hour period.