



Notice is given that an ordinary meeting of the Full Council will be held on:

**Date:** Thursday 26 September 2013  
**Time:** 2.30 pm or following the conclusion of Environment & Planning Committee  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

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## Full Council

### AGENDA

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#### MEMBERSHIP

<b>Mayor</b>	Mayor R G Kempthorne	
<b>Deputy Mayor</b>	Cr T B King	
<b>Councillors</b>	Cr M L Bouillir	Cr J L Inglis
	Cr S G Bryant	Cr C M Maling
	Cr B F Dowler	Cr Z S Mirfin
	Cr J L Edgar	Cr T E Norriss
	Cr B W Ensor	Cr P F Sangster
	Cr G A Glover	Cr E J Wilkins

(Quorum 7 members)

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.



## **AGENDA**

**1 OPENING, WELCOME**

**2 APOLOGIES AND LEAVE OF ABSENCE**

**Recommendation**

**THAT apologies be accepted.**

**3 DECLARATIONS OF INTEREST**

**4 LATE ITEMS**

**5 REPORTS**

- 5.1 Confirmation of Minutes ..... 5
- 5.2 Policy on Elected Members' Allowances and Recovery of Expenses ..... 6
- 5.3 Annual Report 2012/13 ..... 27

**6 CONFIDENTIAL SESSION**

- 6.1 Procedural motion to exclude the public..... 31
- 6.2 Confirmation of Minutes - Confidential ..... 31



## 5 REPORTS

### 5.1 CONFIRMATION OF MINUTES

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	26 September 2013
<b>Report Author:</b>	Pamela White, Executive Assistant to CEO/Mayor
<b>Report Number:</b>	RCN13-09-25

#### 1 Summary

- 1.1 The Council is requested to confirm the minutes of the Committee and Subcommittee meetings in the lead up to the 2013 local body elections. These are minutes of meetings that have been held in the last 6 weeks that have not yet been confirmed. The minutes need to be confirmed by existing members, rather than the new members of these Committees and Subcommittees. The new Committee and Subcommittee structure and composition is expected to be agreed at the Council meeting of 31 October 2013.
- 1.2 Under Schedule 7, clause 30(5) & (7) of the Local Government Act, “a committee, subcommittee, or other subordinate decision-making body is, unless the local authority resolves otherwise, deemed to be discharged on the coming into office of the members of the local authority elected or appointed at, or following, the triennial general election...” There are no further meetings between this one and the first meeting of the inaugural meeting of Full Council on 24 October 2013.

#### 2 Draft Resolution

##### That the Full Council

- 1) receives the Confirmation of Minutes RCN13-09-25; and
- 2) confirms the minutes of the following meetings as a true and correct record of those meetings:
  - a. Extraordinary Full Council 15 August 2013
  - b. Corporate Services Committee 22 August 2013
  - c. Communications Subcommittee 29 August 2013
  - d. Community Services Committee 5 September 2013
  - e. Engineering Services 12 September 2013
  - f. Full Council 19 September 2013
  - g. Grants and Community Facilities Rate Subcommittee 19 September 2013

- 3) receives the minutes of the following meeting**
- a. Commercial Subcommittee 30 August 2013**
  - b. Joint Shareholders Committee 13 September 2013**
  - c. Golden Bay Community Board 10 September 2013**
  - d. Motueka Community Board 10 September 2013**

<b>3 Attachments</b>
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Nil

**.2 POLICY ON ELECTED MEMBERS' ALLOWANCES AND RECOVERY OF EXPENSES****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	26 September 2013
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN13-09-27

**Item 5.2****1 Summary**

- 1.1 The Remuneration Authority annual determination sets the maximum allowances payable by councils to elected members and the nature of reimbursements made for costs incurred on council business.
- 1.2 The Remuneration Authority requires councils to provide updated policies on Elected Members' Allowances and Recovery of Expenses by 30 September 2013. These policies need to have the Authority's formal approval before coming into effect.
- 1.3 Council will not be able to pay elected members allowances or reimburse expenses after 12 October 2013 unless the updated policy is approved by the Remuneration Authority.
- 1.4 Council can agree to less favourable rates and provisions in its policies than the limits set by the Remuneration Authority. Provisions can apply to one or more groups of members.
- 1.5 The current policy "Tasman District Council Expenses, Allowances and Reimbursement Rules" has been renamed and updated to reflect recent determinations by the Authority, the Council's Sensitive Expenditure Policy and the example policy issued by the Authority.
- 1.6 The recommendation is to approve the updated policy.

**2 Draft Resolution****That the Full Council:**

- a) **receives the Policy on Elected Members' Allowances and Recovery of Expenses report; and**
- b) **approves (as amended) the Policy on Elected Members' Allowances and Recovery of Expenses for submission to the Remuneration Authority; and**
- c) **authorises any consequential cross reference updates to the Sensitive Expenditure Policy.**

### 3 Purpose of the Report

- 3.1 This report seeks formal Council approval of the updated Policy on Elected Members' Allowances and Recovery of Expenses prior to it being forwarded to the Remuneration Authority for final approval.

### 4 Background and Discussion

- 4.1 The Remuneration Authority sets in its determination the maximum allowances payable by councils to councillors for certain activities such as transport and communications. Additionally, the Authority annually determines the nature of reimbursements made to councillors for costs undertaken on council business. This is undertaken on a council by council basis in consultation with the council.
- 4.2 The Remuneration Authority requires councils to provide updated policies on Elected Members' Allowances and Recovery of Expenses by 30 September 2013. These policies need to have the Authority's formal approval before coming into effect.
- 4.3 The Authority has provided guidance on policy issues and an example policy to assist councils.
- 4.4 Transparency is achieved by making details of elected members expense claims available to the public on request.
- 4.5 The attached policy has combined the Remuneration Authority example, the existing Expenses, Allowances and Reimbursement Rules policy, the relevant sections of the Sensitive Expenditure Policy and the recent determinations by the Authority.
- 4.6 Existing provisions have been maintained wherever possible. Additional definitions have been added to clarify terms used. The policy has been renamed to be consistent with the Remuneration Authority convention. The policy is also presented in the new standard format with cross references to related Council policies and related legislation.
- 4.7 Council can provide in its policies less favourable rates and provisions than the limits set by the Remuneration Authority. For example Council could provide a lower mileage rate, no communications allowance, a lower travel time rate or a higher threshold for travel time.
- 4.8 The key changes from the existing policy are:
- 4.8.1 Four new definitions have been added on page 4. Actual, Reasonable, Council Business, and Remuneration Authority. These all come from the definitions provided by the Authority in their example policy. Councillors' attention is drawn to the wide definition of Council business. In the past this term has been used but not defined in the policy.
- 4.8.2 Authentication and Payment of Claims – this has been clarified to confirm that it applies to elected members personally and only while they are acting in an official capacity.
- 4.8.3 All claims will be processed monthly through payroll in conjunction with elected member remuneration.
- 4.8.4 Claims must be able to be met within approved budgets or have been expressly authorised by Council. This provision for claims being approved only if they can be



met from approved budgets is a recommendation from the Remuneration Authority. This new provision reinforces prudent financial management.

- 4.8.5 The explicit requirement in the policy for Internal Audit to review a sample of claims for compliance. This has been a long standing requirement but was not specified in the old policy.
- 4.8.6 There is an updated provision covering car parks. This has been included to cover the current practices and for compliance with the draft policy from the Remuneration Authority.
- 4.8.7 Mileage rates have been updated to those effective from October 2013. The mileage rules have been carried over from the existing policy. These provide for a reduced number of circumstances in which mileage will be paid to Community Board members versus Councillors. The term “Council Business” has now been defined.
- 4.8.8 Travel time reimbursement has been updated to reflect the new rate of \$35 per hour. The policy has been clarified to show that travel time is applicable if the member is travelling with another person. The Remuneration Authority has a reduced the threshold of one hour. The threshold in the draft policy has been left at two hours for consistency with the current policy. Councillors should consider if they wish to reduce the threshold to one hour.
- 4.8.9 The Travel and Accommodation section of the policy has been expanded and reworded for consistency with the Sensitive Expenditure Policy. The rules now apply to Councillors and Community Board members equally. Pre-approval remains a key component of this policy section.
- 4.8.10 The Communications Allowance section has been updated to reflect the recent policy decisions and the rules from the Remuneration Authority. As the Deputy Mayor has a Council-supplied mobile phone his/her Communications allowance is reduced by \$400. This is the amount that is included in the \$750 to cover mobile phone use. Council may choose to pay different levels of the allowance to different groups e.g. Community Board members versus Councillors.

## **5 Options**

- 5.1 Council has the option to approve or amend this draft policy.

## **6 Strategic Challenges / Risks**

- 6.1 This is a routine policy decision being undertaken within a statutory framework. There are no strategic challenges or risks identified in the decision.

## **7 Policy / Legal Requirements / Plan**

- 7.1 The Local Government Act 2002, clause 6 of Schedule 7 provides for the Remuneration Authority to set the remuneration, allowances and expenses of mayors, and other elected members on local authorities, community boards and Auckland Council local boards.

- 7.2 An agreed policy must be provided to the Remuneration Authority by 30 September for final approval. If this does not occur then Council is unable to pay any elected members' allowances or expenses from 12 October 2013.
- 7.3 The policy must comply with the rules and determinations issued by the Remuneration Authority.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 There are no financial or budgetary implications arising from this policy decision. The costs will be met from existing budgets. The proposed policy has a new criteria preventing reimbursements once approved budgets have been spent, without specific Council approval.

**9 Significance**

- 9.1 The decision is of low significance. The policy is being set in accordance with the legislative requirements.

**10 Consultation**

- 10.1 Due to the low significance no formal consultation is required.

**11 Conclusion**

- 11.1 Subject to amendment the updated policy should be approved to go to the Remuneration Authority.

**12 Next Steps / Timeline**

- 12.1 The agreed Policy will be forwarded to the Remuneration Authority for final approval.
- 12.2 Processing of expense and allowance claims from 12 October 2013 cannot occur until formal approval is received from the Authority.

**13 Attachments**

- 1. TDC Expenses, Allowances and Reimbursement Rules November 2011 11
- 2. TDC Policy on Elected Members Allowances and Recovery of Expenses 2013 17

**TASMAN DISTRICT COUNCIL  
EXPENSES, ALLOWANCES AND REIMBURSEMENT RULES  
NOVEMBER 2011**

**1. INTERPRETATION**

In these expenses rules:

**Chief Executive** and **Corporate Services Manager** mean the Chief Executive and Corporate Services Manager of the Council

**Community Board** means a Community Board situated within Tasman District

**Council** means Tasman District Council

**Elected member** means the elected members of Tasman District Council and Community Boards situated within Tasman District

**Mayor** means the Mayor of the Council

**Member of the Council** means an elected member of the Council, including the Mayor. For the avoidance of doubt, in these rules 'Member of the Council' does not include a Member of a Community Board

**Member of a Community Board** means an elected member of a Community Board

**2. COUNCIL PROCESS FOR PAYMENT**

2.1 Payment for allowances and reimbursements require a claim form to be signed and submitted. Elected member claims will be processed and paid monthly. Claim forms for each month are to be received within seven (7) days following the end of the month. Claims submitted after three months will not be entertained except in extraordinary circumstances.

2.2 All claims by elected members (except for the Mayor) for reimbursement of expenses or payment of allowances in accordance with these rules, together with supporting documents including receipted tax invoices, shall be submitted to the Corporate Services Manager for approval. The Mayor shall submit such claims to the Chief Executive for approval.

**3. PRINCIPLES**

Reimbursement of expenses and allowances should adhere to the following principles:

- Are in line with council policies
- Have a justified business purpose
- Have senior management oversight
- Are payable under clear rules communicated to claimants
- Are approved by a person able to exercise independent judgement
- Are adequately documented
- Are reasonable and conservative in line with public sector norms

**4. VEHICLES**

Except for the Mayor, no elected members are provided with the use of a vehicle by the Council.

**5. VEHICLE MILEAGE ALLOWANCE**

5.1 The vehicle mileage allowance reimbursed in any one year to an elected member as determined by the Remuneration Authority is

(a) \$0.74 per kilometre for the first 5,000 kilometres:

(b) \$0.35 per kilometre for any distance over 5,000 kilometres.

5.2 Every reasonable effort should be made by elected members to share transport in order to reduce costs.

5.3 A member of the Council may make a mileage claim for travel to and from the member's residence if the travel is in his or her own vehicle, by the most direct route reasonable in the circumstances, and is:

(a) for the purposes of attending a meeting of the Council, or a committee of the Council, or a Community Board, Long Term Plan or Annual Plan hearings; or

(b) on other Council business.

5.4 Travel must be in excess of 30 kilometres in any one day, and the allowance is for the distance in excess of the 30 kilometres.

5.4 Nothing in clause 5 shall apply to the Mayor if the Mayor is provided with a vehicle by the Council.

5.5 A member of a Community Board may make a mileage claim for travel to and from the member's residence if the travel is in his or her own vehicle, by the most direct route reasonable in the circumstances, and is:

(a) for the purpose of attending a meeting of the Council, a committee of the Council, or the Community Board, on Community Board business;

(b) for travel to briefings, working parties, and information workshops where attendance has been requested by Council officers or by resolution of the Council; or

(c) for travel:

(i) to a specific event pursuant to a resolution of the Community Board;

(ii) pursuant to a request or authorisation from the Mayor or Chief Executive;

(iii) to official functions and events of the Community Board;

(iv) to meetings of residents, ratepayers or community groups in the capacity of a Member of the Community Board;

(v) to meetings called by Council Officers to discuss Council business;

(vi) to National and Zone Community Board meetings and conferences; or

(vii) to agenda setting meetings of the Community Board.

## 6. TRAVEL TIME ALLOWANCE

6.1 A travel time allowance is payable for travel by members (excluding the Mayor), including travel to and from the member's residence if the travel is on Council business and by the quickest form of transport reasonable in the circumstances.

6.2 Travel time must be in excess of two (2) hours for any one event in any one day, and the allowance is for time in excess of the two (2) hours.

6.3 The amount payable for the allowance is \$15.00 per hour.

## 7. TRAVEL AND ACCOMMODATION

7.1 **Taxis:** A taxi fare paid by a member of the Council on Council business outside of the Nelson-Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or Corporate Services Manager.

- 7.2 **Car parks:** With the exception of the Mayor no car parks are provided to elected members.
- 7.3 **Rental cars:** The cost of a member of the Council hiring a rental car on Council business within, or outside of, the Nelson-Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager.
- 7.4 **Domestic air travel:** The cost of domestic air travel by a member of the Council on Council business shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Where possible bookings should be made to ensure the Council benefits from discounts (if any).
- 7.5 **International air travel:** The cost of international air travel by a member of the Council on Council business shall be reimbursed only if the Council has previously resolved to do so. Where possible bookings should be made to ensure the Council benefits from discounts (if any).
- 7.6 **Airline clubs/airports:** The Mayor may claim reimbursement of the cost of the Mayor's Koru Club membership. Otherwise, subscriptions by elected members to airline clubs (such as Koru Club) shall not be reimbursed or an allowance paid.
- 7.7 **Accommodation:** The cost of accommodation for a member of the Council on Council business, or a member of a Community Board on Community Board business, outside of the Nelson – Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Where possible bookings should be made to ensure the Council benefits from discounts (if any). No reimbursement for purchases from hotel mini-bars or charges for in-room services.
- 7.8 **Meals:** Where a Council meeting adjourns for lunch and a member of the Council buys his or her lunch, and where a Community Board meeting adjourns for lunch and a member of the Community Board buys his or her lunch, then the member may claim reimbursement of the cost of their lunch up to a maximum of \$10.00. Otherwise, the cost of meals paid for by a member of the Council or a member of a Community Board shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Reimbursement of the cost of meals must be accompanied by receipts and details of the reason for the claim.
- 7.9 **Reimbursement for accommodation:** If it is unreasonable for an elected member to travel to his or her home after a meeting, the elected member may claim a meal and accommodation allowance. The maximum amount of the allowance is \$180.00 per night, reimbursable with receipts. No reimbursement for purchases from hotel mini-bars or charges for in-room services

- 7.10 **Private accommodation provided by friends/relatives:** An elected member may arrange private accommodation with friends/relatives of the elected member when they are travelling on Council or Community Board business. This shall be reimbursed at a rate of \$55.00 per night and is all inclusive of accommodation, transport to and from the private residence and meals. No other expenditure shall be claimed by the elected member and no receipts are required for reimbursement to occur.
- 7.11 **Entertainment and hospitality:** Except for meals (refer rule 7.8) no hospitality and entertainment allowances are payable to elected members.
- 7.12 **Communications and technology:** The Council provides the following equipment to members of the Council:
- Notebook – Mayor only
  - Mobile phone – Mayor and Deputy Mayor only
- No restrictions are placed on private use of any of this equipment.
- 7.13 **Communications Allowance:** The Council pays the telephone account for mobile phones that the Council provides to the Mayor and Deputy Mayor. There is no reimbursement of elected member's telephone rental costs
- 7.14 Elected members are entitled to claim an annual communications allowance up to \$750.00 (i.e. \$62.50 per month).
- 7.15 The reasonable cost of toll calls made by elected members on their home phone on Council or Community Board business, and the reasonable cost of calls made by elected members (other than the Mayor and Deputy Mayor) on their mobile phone on Council or Community Board business, will be reimbursed to the member on presentation to the Chief Executive or Corporate Services Manager of a telephone account with details showing to whom the call was made.

## 8. PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS

- 8.1 The cost of a member of the Council or a member of a Community Board registering to attend a conference or seminar on Council or Community Board business shall be reimbursed only if the Council or Community Board has previously resolved to do so. Otherwise, no expenses are reimbursed or allowances paid in respect of elected members attendance at professional development courses, conferences and seminars.
- 8.2 Except as allowed under rule 7.6, no expenses are reimbursed or allowances paid in respect of subscriptions to clubs or associations.

**9. OTHER EXPENSE REIMBURSEMENT AND ALLOWANCES**

9.1 Other than with the approval of the Chief Executive or the Corporate Services Manager no other expense reimbursements are made or allowances paid, to elected members.

9.2 Certain items have been confirmed as not reimbursable as follows:

- a) increased clothing standard because of attendance at Council and other meetings;
- b) constituent expenses;
- c) lost time or the additional payments incurred in having normal work undertaken by someone else;
- d) childcare;
- e) personal subscriptions to magazines;, clubs and organisations;
- f) hospitality extended to constituents in private home on Council business and community contacts; and
- g) spouses costs in attending functions.

9.3 Council does not reimburse costs for stationery. However, stationery is available from Council for Council business. Elected members who require items of stationery for Council business should request this through the Mayor's Executive Assistant.

**10. TAXATION OF ALLOWANCES**

10.1 No allowances (as distinct from reimbursement of actual business expenses) are paid without deduction of withholding tax.

**11. MATTERS NOT COVERED**

11.1 Any matters not covered by the above rules shall be decided by the Mayor, Chief Executive and Corporate Services Manager in accordance with the principles set out in clause 2.





## Tasman District Council Policy on Elected Members' Allowances and Recovery of Expenses

### ORGANISATIONAL POLICY

<b>POLICY REFERENCES</b>	
• Sponsor:	<b>Manager Corporate Services</b>
• Effective date:	The day elected members come into office after the 12 October 2013 local body elections.
• Internal review due:	reviewed at three yearly intervals prior to the Local Authority Elections
• External review	This policy or any amendments require approval by the Remuneration Authority.
• Legal compliance:	<b>Local Government Act 2002, Remuneration Authority Act 1977, Local Government Elected Members Determinations, Local Electoral Act 2001.</b>
• Associated Documents/References	Sensitive Expenditure Policy Travel and Accommodation Policy Koha and Donations Policy  Note: This policy replaces the Expenses, Allowances and reimbursement Rules (Councillors) Policy
• Policy Number	<b>TBA</b>
• Adopted by Council	<b>DD/MM/YY Report No XXX</b>

## 1 Purpose

- 1.1 This policy sets out the rules and processes for claiming expenses by elected members and the resources that will be available to them during their term in office.

## 2 Definitions

**Chief Executive and Corporate Services Manager** - the Chief Executive and Corporate Services Manager of the Tasman District Council

**Community Board** – A Community Board situated within Tasman District

**Council** - Tasman District Council

**Elected member** - the elected members of Tasman District Council and Community Boards situated within Tasman District

**Mayor** - the Mayor of the Tasman District Council

**Member of the Council** - an elected member of the Council, including the Mayor. *For the avoidance of doubt, in these rules 'Member of the Council' does not include a member of a Community Board*

**Member of a Community Board** - the members of community boards situated within the Tasman district.

**Actual** - as evidenced by the original receipt attached to the claim form.

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

**Council business** - includes: formal council and community board meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.

**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.

## 3 Application

- 3.1 This Policy applies to all elected members of the Tasman District Council, Motueka Community Board and the Golden Bay Community Board

#### 4 Policy Contents:

[Policy](#)  
[Authentication and Payment of Claims](#)  
[Taxation](#)  
[Vehicles](#)  
[Car Parks](#)  
[Vehicle Mileage Allowance](#)  
[Travel Time](#)  
[Travel and Accommodation](#)  
[Accommodation and Meals – Official Meetings](#)  
[Entertainment and Hospitality](#)  
[Communications & Technology Equipment](#)  
[Communications Allowance](#)  
[Stationery and Consumables](#)  
[Conferences, Courses, Seminars and Training](#)  
[Professional Development , Clubs and Associations](#)  
[Other Expense Reimbursement](#)

#### 5 Policy

- 5.1 The rules, guidelines and monetary amounts set out within this policy are subject to change as a result of further determinations and guidance from the Remuneration Authority.
- 5.2 Transparency is achieved by making details of elected members' expense claims available to the public on request.

#### 6 Authentication and Payment of Claims

- 6.1 From time to time elected members incur expenses on the Council's behalf, which need to be reimbursed. This reimbursement and the use of Council-supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.
- 6.2 Costs for expenses must have a justifiable business purpose, be moderate and be conservative having regard to the circumstances, and be appropriate in all respects.
- 6.3 Claims are subject to a standard of probity and financial prudence that is to be expected of a local authority and able to stand public scrutiny.
- 6.4 Completed claims are to be submitted within seven (7) days following the end of the month. Late claims submitted after three months will not be entertained except in extraordinary circumstances.
- 6.5 Reimbursement of all claims will be processed through the payroll system in conjunction with elected member remuneration.
- 6.6 All claims by elected members (except for the Mayor) for reimbursement of expenses or payment of allowances in accordance with these rules, together with supporting documents including receipts and GST tax invoices, shall be submitted to the Corporate Services Manager for approval. The Mayor shall submit his/her claims to the Chief Executive or the Corporate Services Manager for review and initial approval. The chair of the Corporate Services Committee will counter sign to record their final approval.

- 6.7 In considering and approving reimbursement of claims the following principles will apply:
- any expenses to be reimbursed must be on an actual and reasonable basis and in line with relevant Council policies.
  - have a justifiable business purpose.
  - be appropriate in all respects.
  - be moderate and conservative having regard to the circumstances.
  - be approved by a senior Council officer able to exercise independent judgement.
  - are adequately documented including the provision of full original receipts and for amounts over \$50 GST Tax Invoices.
  - can be met within approved budgets or has been expressly authorised by Council outside of those budgets.
- 6.8 In the case of one-off expenditure such as travel to conferences, the process and prior approvals required have been obtained.
- 6.9 In the case of vehicle mileage, travel time and communications, all limits set in this document do not exceed the Remuneration Authority's current Determination.
- 6.10 The Council's audit work programme will include sampling expense claims and allowances paid to elected members to ensure policy compliance.

## 7 Taxation

- 7.1 No allowances (as distinct from reimbursement of actual business expenses) are paid without deduction of withholding tax. The taxation treatment of allowances and expense claims will at all times comply with the requirements and determinations of the Inland Revenue Department.

## 8 Vehicles

- 8.1 Except for the Mayor, no elected members are provided with the use of a vehicle by the Council. The Mayor's vehicle will be available for his/her private use. A deduction will be made from his/her salary as determined by the Remuneration Authority. The Mayor will not be able to claim for vehicle mileage.

## 9 Car Parks

- 9.1 Except for the Mayor, no elected members are provided with the use of a designated car park. On request Council members and the Community Board chairs will be provided with a parking permit that exempts the vehicle from the time limits applicable to managed parking on the streets surrounding the Council's Richmond office. These permits are only applicable while the member is on Council business. Abuse of this privilege may lead to cancellation of the permit.

## 10 Vehicle Mileage Allowance

- 10.1 Vehicle mileage will be paid for all travel on Council business that exceeds, in any one day, the relevant threshold distance and complies with the specific rules for Council members or Community Board members as applicable.

- 10.2 The threshold distance will be personal to each elected member. It will depend on the distance of a round commuting trip from the elected member's home to their nearest Council office:
- members living less than 15 kilometres away from their nearest office may claim mileage for round trip distances travelled more than their round trip from home to their nearest Council office, in any one day.
  - members living more than 15 kilometres away from their nearest office may claim the allowance for round trip distances travelled more than 30 kilometres in any one day;
- 10.3 Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination. From 13 October 2013 these are:
- \$0.77 per kilometre for the first 5,000 kilometres:
  - \$0.37 per kilometre for any distance over 5,000 kilometres.
- 10.4 Mileage will be paid to eligible members on receipt of a completed and signed mileage claim. The mileage claim may be incorporated into the monthly expenses claim and will be processed on the same basis.
- 10.5 To be eligible for mileage reimbursement the travel must be in the elected member's own vehicle and by the most direct route reasonable in the circumstances. Every reasonable effort should be made by elected members to share transport in order to reduce costs.

Note: The threshold will be 3,571 Km for the period commencing from the election up to 30 June 2014 for new members. For members who are re-elected the annual threshold applies.

#### **Rules applicable to Council Members**

- 10.6 A member of the Council may make a mileage claim for travel that is:
- for the purposes of attending a meeting of the Council, or a committee of the Council, or a Community Board, Long Term Plan or Annual Plan hearings; or
  - on other Council business.

#### **Rules applicable to Community Board Members**

- 10.7 A member of a Community Board may make a mileage claim for travel that is:
- for the purpose of attending a meeting of the Council, a committee of the Council, or the Community Board, on Community Board business;
  - for travel to briefings, working parties, and information workshops where attendance has been requested by Council officers or by resolution of the Council; or
  - for travel:
    - to a specific event pursuant to a resolution of the Community Board;
    - pursuant to a request or authorisation from the Mayor or Chief Executive;
    - to official functions and events of the Community Board;
    - to meetings of residents, ratepayers or community groups in the capacity of a Member of the Community Board;
    - to meetings called by Council Officers to discuss Council business;
    - to National and Zone Community Board meetings and conferences; or
    - to agenda setting meetings of the Community Board.

**11 Travel Time**

- 11.1 Elected Officials (excluding the Mayor) may claim reimbursement at \$35 per hour for travel time (including travel to and from the member's residence) for travel undertaken on any one day to attend a Council or Community Board related meeting or event with a minimum threshold of two hours of time travelled.
- 11.2 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.
- 11.3 Travel time and mileage may be claimed for the same journey. Travel time is also applicable where the member is travelling with another person.

**12 Travel and Accommodation**

- 12.1 The principles as set out in the Sensitive Expenditure Policy section 7 to 12 apply to all elected officials.
- 12.2 Elected officials may need to incur travel and accommodation costs while conducting Council business elsewhere in New Zealand or overseas. The principles of a justified business purpose, moderate and conservative expenditure, are particularly relevant for travel and accommodation expenditure.
- 12.3 Travel and accommodation expenditure should be economical and efficient, having regard to purpose, distance, time, urgency and personal health, security and safety considerations.

**12.4 Taxis and Rental Cars**

- Council expects the use of taxis to be moderate, conservative and cost effective relative to other transport options. Wherever practicable shuttle or bus services are to be used in lieu of taxis. Taxis are only reimbursed for approved business conducted outside the district.
- Council requires that the most economical type and size of rental car be used, consistent with the requirements of the trip. Rental cars are only available for business conducted outside the district and must be pre-approved. This approval may be given by the Chief Executive or the Corporate Services Manager. Any fines (parking or traffic offences) incurred while using a rental vehicle are the responsibility of the driver.
- Private use of a rental car is only permitted in exceptional circumstances and requires the express approval of the Mayor or the Chief Executive. All additional costs as a result of private use are the responsibility of the elected official.

**12.4 Air Travel**

- Council business air travel arrangements will be made through the Corporate Services Manager using Council's preferred travel agents. All domestic travel by elected officials requires the prior approval of Council, or the Chief Executive or the Corporate Services Manager. International travel for elected officials requires the express approval of Council.
- To the extent practical, air travel is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. Council business air travel arrangements should be made through the Corporate Services Manager.

- Discounted economy or economy class and/or a discount airline is to be the first choice for journeys where the uninterrupted flight time is 5 hours or less, except where the distance or hours travelled, work schedule on arrival, or personal health, safety or security reasons make business class preferable. In all circumstances first class travel is prohibited.
- Council payment for membership of airline travel clubs eg Koru Club is restricted to the Mayor. Subscriptions by elected members to airline clubs shall not be reimbursed or an allowance made.

#### 12.5 Meals and Accommodation when Travelling

- All elected members are entitled to payment of actual and reasonable travel, accommodation, meal and related incidental expenses (including travel insurance) incurred when travelling on Council business. Such travel must be pre-approved by the Council or the Community Board and be accommodated within existing budgets.
- To the extent practical, accommodation is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. This must take into account the location of the accommodation relative to the event, the standard of the accommodation (which should be modest) and security issues. The use of "luxury" accommodation is not permitted.
- Wherever possible use is to be made of Council's preferred suppliers and negotiated corporate rates. Any exceptions require the express approval of the Chief Executive or the Corporate Services Manager.
- An elected member may elect to arrange private accommodation. This shall be reimbursed at a nightly rate of \$55.00, that is all inclusive of accommodation, transport to and from the private residence and meals. No other expenditure shall be claimed by the elected member and no receipts are required for reimbursement to occur.
- Drinks – Council will pay for only one beverage (alcoholic or non-alcoholic) with an evening meal, eg one glass of wine or non-alcoholic beverage, one can or one small bottle of beer. Casual drinks before or after the evening meal are to be paid for by the elected official.
- Minibars/Videos – these costs will not be reimbursed by Council
- Phone Calls – All charges for business-related telephone calls, faxes, email and internet access made by an elected official while travelling on Council business will be reimbursed. Reasonable private use to clear email and communicate with family members is permitted.
- Accommodation check out times are to be observed. In the absence of extenuating circumstances, any additional costs as a result of failing to check out in time are the responsibility of the elected official.
- Reasonable expenses will be met for unexpected events, eg overnight expenses due to a cancelled plane flight.
- Reasonable meal costs will be met with the total cost not expected to exceed \$60 per person per meal or such other amount as is set from time to time by the Chief Executive. Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training, etc.
- Where travel arrangements are extended to accommodate a member's personal arrangements, all costs in addition to those that would be expected for the business component of the trip are the responsibility of the elected official.

**13 Accommodation and Meals – Official Meetings****13.1 Meals:**

- Where a Council meeting adjourns for lunch and a member of the Council buys his or her lunch, and where a Community Board meeting adjourns for lunch and a member of the Community Board buys his or her lunch, then the member may claim reimbursement of the cost of their lunch up to a maximum of \$10.00. Otherwise, the cost of meals paid for by a member of the Council or a member of a Community Board shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Reimbursement of the cost of meals must be accompanied by receipts and details of the reason for the claim.

**13.2 Reimbursement for accommodation:**

- If it is unreasonable for an elected member to travel to his or her home after a meeting, the elected member may claim a meal and accommodation allowance. The maximum amount of the allowance is \$180.00 per night, reimbursable with receipts. No reimbursement for purchases from hotel mini-bars or charges for in-room services will be accepted.

**14 Entertainment and Hospitality**

- Except for meals reimbursed under other sections of this policy no hospitality and entertainment allowances are payable to elected members.
- For reimbursement or charging all entertainment and hospitality expenditure must comply with the requirements set down in the Sensitive Expenditure Policy. In particular elected officials must ensure that full receipts, details of the names of parties entertained and reasons for the entertainment are to be provided.

**15 Communications & Technology Equipment**

- The Council provides the following equipment or the equivalent to designated members of Council. The Council also covers the telephone accounts for these devices. Private use of this equipment is permitted.
  - Notebook computer, printer – The Mayor
  - Mobile phone - The Mayor and the Deputy Mayor

**16 Communications Allowance**

- The Council provides a communication allowance to all elected officials with the exception of the Mayor. This annual allowance is reviewed every three years and is based on the actual costs for a typical elected official. The allowance is \$750pa and was last reviewed August 2013.
- The allowance covers provision by the elected member of equipment and also covers related telephone and data charges as detailed below. Council staff will assist with setting up access on the chosen device to Council systems. All maintenance and other costs are the responsibility of the member.
  - PC /Notebook/tablet etc and printer
  - Broadband internet connection and related charges including installation where applicable.
  - Home phone land line including rental and toll charges
  - Mobile device and related charges including toll/data charges



- Where the Council provides a mobile phone and pays the call, text and data costs the allowance will be reduced from \$750pa to \$350pa.
- In exceptional circumstances where unusually high internet access set up costs apply eg in remote rural areas, the member may request a one-off reimbursement of 50% of the setup costs.
- In an election year the annual allowance will be paid pro rata in two amounts. The first being for the period up to the election date. The second for the period from the election date to 30 June in the following year.

#### 17 Stationery and Consumables

- On request the Corporate Services Manager will supply reasonable amounts of paper and reimburse the reasonable costs of printer consumables, for Council business use only. Reimbursement claims for printer consumables must be included in the monthly expense claim and indicate the percentage of business use the printer is typically put to. The reimbursement will be limited to the business use percentage of the cost.

#### 18 Conferences, Courses, Seminars and Training

- The conference, course, seminar or training event must contribute to the Councillor's or the board member's ability to carry out Council and or board business.
- The cost of a member of the Council or a member of a Community Board registering to attend a conference or seminar on Council or Community Board business shall be reimbursed only if the Council or Community Board has previously resolved to do so. Otherwise, no expenses are reimbursed or allowances paid in respect of elected member's attendance at professional development courses, conferences and seminars.

#### 19 Clubs and Associations

- Except as allowed under rule 12.4, no expenses are reimbursed or allowances paid in respect of subscriptions to clubs or associations.

#### 20 Other Expense Reimbursement

- 20.1 Other than with the express approval of the Chief Executive or the Corporate Services Manager no other expense reimbursements are made or allowances paid, to elected members.
- 20.2 Certain items have been confirmed as not reimbursable as follows:
- increased clothing standard because of attendance at Council and other meetings;
  - constituent expenses;
  - lost time or the additional payments incurred in having normal work undertaken by someone else;
  - childcare;
  - personal subscriptions to magazines, clubs and organisations;
  - hospitality extended to constituents in private home on Council business and community contacts; and
  - spouse's costs in attending functions.

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Authorised by

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Date of approval:

**5.3 ANNUAL REPORT 2012/13****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	26 September 2013
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN13-09-26

**Item 5.3****1 Summary**

- 1.1 Council is required by statute to complete an Annual Report each year, have it audited, and adopted prior to 31 October.
- 1.2 The Annual Report for the year ended 30 June 2013 is included here for Council's adoption.
- 1.3 This Annual Report has been completed early to enable Council to receive and adopt it prior to the local body elections in early October 2013.
- 1.4 The audit report will be handed to Council by the Auditor at the meeting as soon as the Annual Report has been adopted.
- 1.5 Upon adoption of the Annual Report Council must, within 1 month, make publicly available both the Annual Report and Summary Annual Report. This will be achieved by, hardcopy, CD, and via Council's website.
- 1.6 The Council has made an accounting surplus of \$14.6 million for the year. This position has been influenced by a number of extraordinary items, including:
  - An unrealised gain of \$4 million on Council's interest rate swaps
  - Higher than budgeted income for the Cycleway project
  - Council's share of Associates' income is higher than budget
  - Unbudgeted emergency works expenditure,
  - Unbudgeted additional subsidies from NZTA and the recoveries for River Z works
  - Development Contributions are higher than budget
  - Legal Expenses were significantly above budget
  - Reparation work at Jakkett Island and the Motueka Groyne
  - Higher water charges income on completion of the Industrial Water Users dispute
- 1.6 Total debt of Council is just under budget, despite Council incurring some higher capital costs than budgeted during the year.
- 1.7 As at 30 June 2013 Council's Working Capital position was just over \$2.2 million, and the Equity, or net worth, was \$1.186 billion.

**2 Draft Resolution****That the Full Council:**

- 1) receives the Annual Report 2012/13 report RCN13-09-26; and**
- 2) adopts the 30 June 2013 Annual Report.**

**Item 5.3**

### 3 Purpose of the Report

- 3.1 To adopt Tasman District Council's Annual Report for the year ended 30 June 2013.

### 4 Background and Discussion

- 4.1 Section 98 of the Local Government Act 2002 requires Council to prepare and adopt an Annual Report by 31 October each year.
- 4.2 The Annual Report measures what Council planned to complete as per the relevant Annual Plan, or Long Term Plan, and what was achieved.
- 4.3 Staff have worked hard to complete the 2013 Annual Report early so that it would be available for adoption before the local body elections in early October 2013.
- 4.4 The 2013 Annual report has been completed and included here for adoption.
- 4.5 The Annual Report is audited by Audit New Zealand on behalf of the Office of the Auditor General. At the time of writing a number of items were still being finalised with audit, however the audit report will be completed and available at the meeting, once Council has adopted the Annual Report.
- 4.6 Preparation of the Annual Report involves staff throughout Council.
- 4.7 From a financial perspective, Council made a net accounting surplus of \$14.1 million, prior to asset valuation movements. This result was very strongly influenced by a number of extraordinary transactions and events during the year, including:
- An unrealised gain of \$4 million on Council's interest rate swaps
  - Higher income for the Cycleway project
  - Council's share of Associates' income is higher than budget
  - Emergency works expenditure was unbudgeted, however so were the higher subsidies from NZTA and the recoveries for River Z works
  - Development Contributions are higher than budget
  - Legal expenses were significantly above budget
  - Reparation work at Jackett Island and the Motueka Groyne
  - Payment to the Ministry for the Environment for the Mapua decontamination
  - The completion of the Industrial Water Users dispute resulted in additional water charges income to Council.
- 4.8 Total Debt of Council is just under budget, despite Council incurring some higher capital costs than budgeted.
- 4.9 As at 30 June 2013 Council's Working Capital position was \$2.2 million, and the Equity, or net worth, was \$1.186 billion.

**5 Strategic Challenges / Risks**

- 5.1 The preparation of the Annual Report is a Council wide project, involving officers from all teams of the organisation.
- 5.2 The form of the content is highly regulated by statute and accounting conventions and regulations. There is a lot of information in the Annual Report which reports the progress Council has made against its performance targets.
- 5.3 One challenge is the reporting of the information in a consolidated format which also maintains sufficient detailed information for all Council's stakeholders.

**6 Policy / Legal Requirements / Plan**

- 6.1 Section 98 of the Local Government Act 2002 requires all local authorities to prepare and adopt an annual report by 31 October each year.
- 6.2 The Act is also specific on the format and what needs to be reported in each annual report.
- 6.3 The report must also comply with the New Zealand International Financial Reporting Standards.
- 6.4 The Local Government Act also requires the annual report to be audited. For Tasman District Council this is carried out by Audit New Zealand on behalf of the Office of the Auditor General.

**7 Consideration of Financial or Budgetary Implications**

- 7.1 The Annual Report details the level of expenditure and income for each group of activities and compares the actual positions to budget.

**8 Significance**

- 8.1 The reporting of the activities of Council is a significant undertaking, however the adoption of the Annual Report, as an action of Council, would not be deemed significant.

**9 Consultation**

- 9.1 Council is required, within one month of adoption, to make the Annual Report and summary Annual Report available to the public. This will be completed by a number of avenues - on Council's website, and by CD, and hard copy at each of Council's Libraries and Service Centres.

**10 Attachments**

Annual Report 30 June 2013 – *Under Separate Cover*

## 6 CONFIDENTIAL SESSION

### 6.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

**THAT the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.**

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:**

### 6.2 Confirmation of Minutes - Confidential

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>