

# Elected Members' Allowances and Recovery of Expenses Policy

## ORGANISATIONAL POLICY

### POLICY REFERENCES

□ Sponsor:	<b>Chief Operating Officer</b>
□ Effective date:	3 November 2022
□ Internal review due:	Reviewed at three yearly intervals prior to the Local Authority elections.
□ External review	This policy remains within the limits of the current Remuneration and Allowances Determination, therefore it does not require Remuneration Authority approval.
□ Legal compliance:	Local Government Act 2002, Remuneration Authority Act 1977, Remuneration Setting for Local Authorities (published October 2019), Local Government Elected Members Determinations, Local Electoral Act 2001, Fees and Travelling Allowances Act 1951, and related regulations.
□ Associated Documents/References	CS01 Sensitive Expenditure Policy CS02 Koha and Donations Policy CS09 Reimbursement of Work Related Expenses Policy EM06 Elected Members Child Care Policy Travel and Accommodation Policy Standing Orders Code of Conduct
□ Policy Number	EM05
□ Adopted by Council	3 November 2022 Amended 21 September 2023 CN23-09-4, Updated 31 July 2024 to reflect the current Determination

5.5 amended 12 September 2024 – CN-24-09-13 to reflect title changes for claim approvers  
Amended 13 February 2025 – CN25-02-7

**Policy Contents:**

1	Purpose .....	3
2	Definitions .....	3
3	Application .....	3
4	Policy .....	3
5	Authentication and Payment of Claims.....	4
6	Taxation.....	5
7	Vehicles .....	5
8	Car Parks.....	5
9	Vehicle Mileage Allowance .....	5
10	Travel Time.....	6
11	Travel and Accommodation .....	7
12	Accommodation and Meals – Official Meetings.....	9
13	Entertainment and Hospitality .....	10
14	Communications .....	10
15	Stationery and Consumables .....	11
16	Conferences, Courses, Seminars and Training.....	11
17	Clubs and Associations.....	11
18	Other Expense Reimbursement.....	11
	Schedule One .....	13

## 1 Purpose

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** - the Chief Executive 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.

**Group Manager Finance** – the Group Manager Finance of Tasman District Council.

**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. Moderate and conservative, having regard to the circumstances and appropriate in all respects.

**Council business** - includes: formal council and community board meetings, committee meetings, workshops, statutory hearings, 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

4.1 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.

4.2 Transparency is achieved by making details of elected members' expense claims available to the public on request.

## 5 Authentication and Payment of Claims

- 5.1 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 individually, and only while they are acting in their official capacity as elected members.
- 5.2 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.
- 5.3 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.
- 5.4 Reimbursement of all claims will be processed through the payroll system in conjunction with elected member remuneration.
- 5.5 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 Governance Team for processing with claims to be approved by the Chief Operating Officer or Governance Manager or Chief Financial Officer. The Mayor shall submit his/her claims to the Chief Executive for approval.
- 5.6 In considering and approving reimbursement of claims the following principles will apply:
  - a) any expenses to be reimbursed must be on an actual and reasonable basis and in line with relevant Council policies;
  - b) have a justifiable business purpose;
  - c) be appropriate in all respects;
  - d) be moderate and conservative having regard to the circumstances;
  - e) be approved by a senior Council officer able to exercise independent judgement;
  - f) are adequately documented, including the provision of full original receipts and, for amounts over \$50, must be accompanied by a GST Tax Invoice. This means the receipt must state the words 'Tax Invoice'. Items under \$50 must be accompanied by a receipt along with details of reasons;
  - g) can be met within approved budgets or has been expressly authorised by Council outside of those budgets.
- 5.7 In the case of one-off expenditure, such as travel to conferences, the process and prior approvals required have been obtained.
- 5.8 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.
- 5.9 The Council's audit work programme will include sampling expense claims and allowances paid to elected members to ensure compliance with policy and with the current Remuneration Authority Determination.

## 6 Taxation

- 6.1 No allowances (as distinct from reimbursement of actual business expenses) are paid without the 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.
- 6.2 Members are responsible for ensuring they fulfil their own personal tax obligations.

## 7 Vehicles

- 7.1 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.

## 8 Car Parks

- 8.1 Except for the Mayor, no elected members are provided with the use of a designated car park. With the exception of the Mayor who has a designated car park, elected members may not park in marked "TDC Cars Only" vehicle parks at the Richmond office site.
- 8.2 Council members and the Community Board members will be provided with a parking permit that exempts the vehicle from the time limits applicable to managed parking (P90 and P120) on the streets surrounding the Council's offices. These permits are only applicable while the member is on Council business. Abuse of this privilege may lead to cancellation of the permit.

## 9 Vehicle Mileage Allowance

- 9.1 Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination. The mileage rate threshold will be as set out in the Remuneration Authority Determination. Refer to Schedule 1 for current rate. Note: the mileage rates in the Remuneration Authority Determination may not be consistent with the IRD tax exempt amounts.
- 9.2 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.
- 9.3 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 mileage and communications allowances, including the mileage rate threshold is as set out in the current Remuneration Authority Determination and have pro rata provisions for members not in their elected

position for the full 12 months of the financial year, i.e. those who do not return after elections, or those who are elected for the first time in October.

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

- 9.4 A member of the Council may make a mileage claim for travel that is for the purpose of undertaking official Council business, including:
- a) attending a meeting of the Council, or a committee of the Council, or a Community Board;
  - b) attending a meeting of Long Term Plan or Annual Plan hearings;
  - c) for travel:
    - i. to briefings, working parties, seminars, training courses, and information workshops where attendance has been requested by Council officers or by resolution of the Council;
    - ii. pursuant to a request or authorisation from the Mayor or Chief Executive;
    - iii. to meetings called by Council Officers to discuss Council business;
    - iv. to meetings of residents, ratepayers or community groups in the capacity of a member of the Council;
    - v. to official functions and events of the Council;

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

- 9.5 A member of a Community Board may make a mileage claim for travel that is for the purpose of undertaking official Community Board business, including:
- a) attending a meeting of the Community Board, a committee of Council, or of the Council;
  - b) for travel:
    - i. to briefings, working parties, seminars, training courses, and information workshops where attendance has been requested by Council officers or by resolution of the Council;
    - ii. to a specific event pursuant to a resolution of the Community Board;
    - iii. pursuant to a request or authorisation from the Mayor or Chief Executive;
    - iv. to meetings called by Council Officers to discuss Council business, including agenda setting;
    - v. to official functions and events of the Community Board;
    - vi. to meetings of residents, ratepayers or community groups in the capacity of a member of the Community Board;
    - vii. to National and Zone Community Board meetings and conferences;

## **10 Travel Time**

- 10.1 Elected members (excluding the Mayor) may claim reimbursement at the rate set out in the current Remuneration Authority determination 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 one hour of time travelled. Refer to Schedule 1 for current rate.

- 10.2 Only time in excess of this threshold will qualify for payment and only if the travel is by the quickest form of transport and by the most direct route reasonable in the circumstances.
- 10.3 Travel time and mileage may be claimed for the same journey. Travel time is also applicable where the member is travelling with another person.

## **11 Travel and Accommodation**

- 11.1 The principles as set out in the Sensitive Expenditure Policy section 5 apply to all elected members.
- 11.2 Elected members 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.
- 11.3 Travel and accommodation expenditure should be economical and efficient, having regard to purpose, distance, time, urgency and personal health, security and safety considerations.
- 11.4 To the extent where it is practical, travel and accommodation is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible.
- 11.5 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 Group Manager - Finance.
- 11.6 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.
- 11.7 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.

## 11.8 Taxis and Rental Cars

- a) **Taxis** - 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.
- b) **Rental Cars** - 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 Group Manager - Finance. Any fines (parking or traffic offences) incurred while using a rental vehicle are the responsibility of the driver.
- c) **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.

## 11.9 Air Travel

- a) Council business air travel arrangements should be made through the Mayor's Executive Assistant.
- b) **Domestic travel** requires the prior approval of Council, or the Chief Executive or the Group Manager - Finance.
- c) **International travel** requires the express approval of Council.
- d) 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.
- e) 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.

## 11.10 Accommodation When Travelling

- a) 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.
- b) The use of "luxury" accommodation is not permitted.
- c) **Private accommodation** – Where an elected member elects to arrange private accommodation, this will be reimbursed at a set nightly rate 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. Refer to Schedule 1 for the current rate.

- d) 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 member.

#### 11.11 Meals when Travelling

- a) Reasonable meal costs will be met with the total cost not expected to exceed the amount specified in Schedule 1, 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, hotel booking etc.
- b) Drinks – Council will pay for only one beverage (alcoholic or non-alcoholic) with an evening meal, e.g. 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 member.
- c) Minibars/Videos – these costs will not be reimbursed by Council.

#### 11.12 Other Travel expenses

- a) **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.
- b) **Unexpected Events** - Reasonable expenses will be met for unexpected events, e.g., overnight expenses due to a cancelled plane flight.

## 12 Accommodation and Meals – Official Meetings

### 12.1 Meals

- a) 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 the amount specified in Schedule 1.
- b) Where the Councillors attend a meeting that ends at lunchtime and the same Councillors attend a subsequent meeting after lunch, then the member may claim reimbursement of the cost of their lunch up to the amount specified in Schedule 1.
- c) 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 Group Manager - Finance.
- d) Reimbursement will only be applicable when lunch has not been provided by Council, or the Community Board.

- e) Reimbursement of the cost of meals must be accompanied by receipts and details of the reason for the claim.

## **12.2 Reimbursement for accommodation**

- a) 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 specified in Schedule 1 and is reimbursable with receipts. No reimbursement for purchases from hotel mini-bars or charges for in-room services will be accepted.

## **13 Entertainment and Hospitality**

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

## **14 Communications**

### **14.1 Technology Equipment**

- a) The Council provides the following equipment or the equivalent to designated members of Council. Private use of this equipment is permitted:
  - Notebook computer, printer – The Mayor
  - Mobile phone - The Mayor and the Deputy Mayor
  - Laptops – elected members
- b) The equipment provided to elected members to provide access to electronic Council and board papers remains the property of the Council.
- c) Council staff will assist with setting up access on the chosen device to Council systems.

### **14.2 Communications Allowance**

- a) The Council provides a communications allowance to all elected members, with the exception of the Mayor.
- b) This annual allowance is reviewed every three years (or when the Remuneration Authority issues a Determination) and is based on the actual costs for a typical elected member. The allowance detailed in Schedule 1 has been set in accordance with the current Local Government Members (Local Authorities) Determination. The difference in amounts is due to the provision of laptops to all Councillors by Council.

- c) The allowance covers provision by the elected member of equipment and also covers related data charges as detailed below. All maintenance and other costs are the responsibility of the member.
- 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;
  - ICT consumables
- d) In exceptional circumstances where unusually high internet access set up costs apply e.g. in remote rural areas, the member may request a one-off reimbursement of 50% of the setup costs.
- e) 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.

## **15 Stationery and Consumables**

- 15.1 Elected members receive an ICT allowance of \$650 per annum, which includes printer and any other ICT consumables, so no reimbursement claims can be made for these costs.

## **16 Conferences, Courses, Seminars and Training**

- 16.1 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.
- 16.2 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.

## **17 Clubs and Associations**

- 17.1 Except as allowed under rule 12.8(e), no expenses are reimbursed, or allowances paid in respect of subscriptions to clubs or associations.

## **18 Other Expense Reimbursement**

- 18.1 Other than as expressly provided for in a Remuneration Authority determination, or with the express approval of the Chief Executive or the Group Manager - Finance, no other expense reimbursements are made or allowances paid, to elected members.
- 18.2 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;
- 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, with the exception of the Mayor's spouse, invited in an official capacity.

## Schedule One

### Notes:

1. These are to be read in conjunction with the conditions described within the Policy Section
2. All items which attract GST are considered inclusive of GST unless specified otherwise

Policy Section	Item	Claimable Expense Rate	General Conditions
10.1	Mileage	\$1.04 per kilometre*	For a petrol, diesel, or electric vehicle, the first 14,000 kilometres of eligible travel. Other criteria apply. These are detailed in section 11 of the current Remuneration Authority Determination for Local Government Members. Note: Mileage may be subject to income tax, even within the 14,000 km.
10.1	Travel Time	\$40.00 per hour*	Other criteria apply. These are detailed in section 12 of the current Remuneration Authority Determination for Local Government Members.
11.10 (c)	Private Accommodation	\$55.00 per night	Inclusive of accommodation, transport to and from, and meals.
11.11 (a)	Meal	\$45.00	per person per meal.
12.1	Lunch	\$15.00	Official meeting days only.
12.2	Accommodation	\$180.00	Per night of official meeting.
14.2 (b)	Communication Allowance	\$650.00pa	For Councillors and Community Board members.

\*Amounts set by the Remuneration Authority

**Authorised by Leonie Rae, Acting Chief Executive in accordance with Council Resolution**

Date of approval: 3 November 2022

Updated: 12 September 2024