

Governance Remuneration, Allowances and Expenses Policy



Policy Name:	Governance Remuneration, Allowances and Expenses Policy
Approved by:	Timaru District Council
Group:	Governance
Responsibility:	Chief Executive
Date adopted:	27 October 2022
Review:	Every 3 years aligned to the local authority election cycle. This Policy does not cease to have effect because it is due for review, or being reviewed.
Consultation:	Not Required
Policy Type	Council Operational Management

Introduction

1. Purpose and Objectives

The purpose of this policy is to:

- 1.1. Enhance Timaru District Council's (Council's) *Connected Citizens* community wellbeing outcome, that seeks to provide advocacy and leadership through advocating and encouraging citizens to contribute ideas and perspectives in an easily accessible way.
- 1.2. To establish the framework for the remuneration and payment of allowances and expenses to elected members, Council-appointed directors and all external members appointed to Council committees and subcommittees.
- 1.3. To ensure all remuneration, allowances, and expenses are paid to elected members in accordance with the Remuneration Authority determination and rules for the appropriate year.

2. Scope

This policy covers:

- 2.1. The remuneration, allowances, and expenses for all elected members, including Community Board members.
- 2.2. The remuneration of directors to all Council organisations, particularly Council Controlled Organisations (CCOs). See Appendix A for all CCOs.
- 2.3. The remuneration of all external appointments to Council committees and subcommittees; the remuneration provisions of the policy excludes appointments made to committees whose remuneration is set by other legislative bodies outside the Remuneration Authority, paid contractually by Council, or paid by an external employer or agency of the appointee.

3. Definitions

- 3.1. **Allowances** are entitlements available to elected members and external appointments for the purpose of conducting Council business. Elected member remuneration is set by the Remuneration Authority under the Local Government Act 2002 (LGA) and are at the discretion of Council to determine the amount up to the set limit. Current allowances include:
- (i) Vehicle kilometre allowance;
 - (ii) Travel time allowance;
 - (iii) Information and Communications Technology (ICT) allowance;
 - (iv) Childcare allowance.
- 3.2. **Committee/Subcommittee** – those established by the Mayor pursuant to section 41A (3) of the Local Government Act 2002 (LGA) or by Council in accordance with schedule 7, clause 30 of the LGA. This includes any other subordinate decision-making body appointed under this clause regardless of the name of the body.
- 3.3. **Company** has the same meaning as that of the Companies Act 1993 and means a company registered under Part 2 of the Companies Act 1993 or a company reregistered under that Act in accordance with the Companies Reregistration Act 1993. Generally, a company means a body corporate.
- 3.4. **Council** means Timaru District Council.
- 3.5. **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.
- 3.6. **Council Organisation (CO)** as per section 6 of the Local Government Act 2002, this is any organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described) to its governing or decision-making body. This is a wide-ranging definition, covering a large number of bodies, including Council-Controlled Organisations and Council-Controlled Trading Organisations.
- 3.7. **Council Controlled Organisation (CCO)** is any organisation in which one or more local authorities control 50% or more of the voting rights or have the right to appoint 50% or more of the directors (as per section 6 of the Local Government Act 2002).
- 3.8. **Council Controlled Trading Organisation (CCTO)** is any council controlled organisation that operates a trading undertaking for the purpose of making a profit (as per s6 of the Local Government Act 2002).
- 3.9. **Director** includes trustees, managers, or office holders (however described in that organisation) at the director or board level as per section 6 (3)(b) of the Local Government Act 2002.
- 3.10. **Elected Member** includes elected Timaru District Councillors and Community Board Members.
- 3.11. **External Members** are individuals, who are not elected members or employees of Timaru District Council, appointed to committees or subcommittees of Timaru District Council.
- 3.12. **Family member** (in relation to the childcare allowance) is a spouse, civil union partner, or de facto partner of the elected member, or a relative, that is, another person

connected with the elected member within two degrees of a relationship, whether by blood relationship or by adoption.

- 3.13. **Hearing** has the same meaning as section 5 of the Local Government Members Determination for the year to which it applies, and includes resource consent hearings; pre-hearing meetings held under section 99 of the Resource Management Act (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 section 36 of the RMA.
- 3.14. **Organisation** includes a company, body corporate or other incorporated entity partnership including a limited liability partnership, trust, arrangement for the sharing of profits, union of interest, cooperation, joint venture, or other similar arrangement.
- 3.15. **Reasonable** means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive.
- 3.16. **Remuneration Authority (the 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.
- 3.17. **Remuneration** is financial consideration paid to directors appointed to a Council Organisation or members of a Council committee or subcommittee in accordance with this policy.

Policy Statements

4. Legislative Context

- 4.1. 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.
- 4.2. Prior to each 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.¹
- 4.3. The attached schedule of remuneration is updated annually to reflect the latest determination issued by the Authority.
- 4.4. Allowances set by the Authority are reviewed annually and are entirely at the discretion of Council within the limits set by the Authority.
- 4.5. Council approved allowances must be included in this policy and published on Council's website.
- 4.6. Actual and reasonable expenses incurred by elected members while undertaking Council business will be reimbursed in line with this policy.

¹ These adjustments may take account of data collected by the Mō Te Kawa Mataaho Public Service Commission on public and private sector remuneration movements, any major legislative changes in the role of elected members and feedback from the sector.

- 4.7. Section 57 of the LGA requires Council to adopt a policy that establishes an objective and transparent process for the remuneration of directors of a CO.

5. Policy Principles

- 5.1. The payment of allowances and expenses to elected members by Timaru District Council is made in accordance with the Auditor General's guidance for a principles-based approach for sensitive expenditure.
- 5.2. The principles are that expenditure decisions:
- (i) Have a justifiable business purpose;
 - (ii) Preserve impartiality;
 - (iii) Are made with integrity;
 - (iv) Are moderate and conservative, having regard to the circumstances;
 - (v) Are made transparently; and
 - (vi) Are appropriate in all respects.

6. Remuneration

Elected members:

- 6.1. The Mayor shall receive remuneration as determined by the Remuneration Authority, outlined in Appendix A.
- 6.2. The Remuneration Authority sets a Governance Pool which is the total amount that can be paid in remuneration to Councillors, and includes a minimum allowable remuneration for each Councillor. Beyond the minimum allowable remuneration for each Councillor, Council must make a formal decision as to how the Governance Pool is allocated according to roles and additional responsibilities held by Councillors. The allocation of the Governance Pool is outlined in Appendix A, as recommended by Council and approved by the Remuneration Authority.
- 6.3. Community Board Chairs and Members receive remuneration as determined by the Remuneration Authority, outlined in Appendix A.
- 6.4. Elected Councillors who are appointed as Chairs or members on the Community Board receive no additional remuneration.
- 6.5. Elected Members who sit on resource management or district plan hearings receive meeting fees as determined by the Remuneration Authority, outlined in Appendix A.
- 6.6. Elected Members will not receive any additional remuneration for their roles on Council Committees, Subcommittees or other working groups established by Council or its Committees beyond that outlined in Appendix A.
- 6.7. Elected Members appointed Directors of Council Owned Organisations (CCOs) or other COs may receive remuneration in accordance with Council's Appointments Policy.

All other Council appointments:

- 6.8. Council recognises that remuneration of directors to COs or appointed external members to committees or subcommittees is a matter of public interest.
- 6.9. Remuneration, and changes to remuneration, will require Council approval and will be based on the nature of the organisation, committee, or subcommittee, the market rates

for comparable positions, and any specific process for determining remuneration specified in the organisation's constitution.

- 6.10. Remuneration rates for each appointment will be approved by Council resolution. These are provided in Appendix A.
- 6.11. For appointments made to organisations that are not COs, the Council will not normally pay remuneration to its appointees except as specified in this Policy.
- 6.12. External appointments to committees or subcommittees are also eligible for the vehicle mileage allowance while they are acting in their official capacity as a member of the committee or subcommittee within a triennium.
- 6.13. All remuneration and vehicle mileage allowances are to be approved by the Chief Executive and must be claimed in a timely manner using the approved claims process as advised by the Governance and Executive Support Manager or equivalent role.

7. Allowances

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

Vehicle Mileage Allowance

- 7.2. Elected members can claim a vehicle mileage allowance to reimburse costs incurred for eligible travel.
- 7.3. An elected members travel is eligible for the mileage allowance if:
 - (i) The elected member is not provided with a vehicle by Council;
 - (ii) The elected member is travelling in a private vehicle;
 - (iii) The elected member is travelling on Council business; and
 - (iv) The most direct route that is reasonable is taken.
- 7.4. The vehicle mileage allowance is set by the Authority and is reviewed annually. The allowance is based on the rate set by the Inland Revenue Department.
- 7.5. Any mileage allowance claimed should meet the reasonable additional cost the elected member incurs by using their own vehicle for travel required on Council business. This includes travel from home to the place of work or other venues required for local authority business.
- 7.6. The current (as at the date of adoption) vehicle mileage allowance rate is set out in Appendix A.
- 7.7. All claims for vehicle mileage allowance are to be approved by the Chief Executive.

Travel Time Allowance

- 7.8. Elected members can claim a travel time allowance for travelling within New Zealand on Council business.
- 7.9. The Mayor is not eligible for this allowance because the role is deemed to be full time and remuneration set accordingly.

- 7.10. Council will pay the travel time allowance set by the Authority for all eligible travel claimed by an elected member.
- 7.11. An elected members travel is eligible for the travel time allowance if:
- (i) The elected member is travelling on Council business;
 - (ii) The elected member uses the quickest form of transport that is reasonable; and
 - (iii) The most direct route that is reasonable is taken.
- 7.12. Elected members cannot claim for the first hour of eligible travel.
- 7.13. 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.
- 7.14. An elected member who resides outside the district boundary is only eligible for a travel time allowance in respect of travel time after the first hour of eligible travel time within the Timaru District boundaries.
- 7.15. The current (as at the date of adoption) travel time allowance rate is set out in Appendix A.
- 7.16. All claims for travel time allowance are to be approved by the Chief Executive.

Communications

- 7.17. The Mayor, Councillors and community board members are provided with a tablet (or similar device). Full technical support is provided where related to Council business.
- 7.18. The Mayor is provided with a mobile phone and full payment of all expenses related to the use of the mobile phone.
- 7.19. 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

- 7.20. 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.
- 7.21. Elected members are eligible for the allowance if:
- (i) they are engaged on local authority business at the time of the childcare;
 - (ii) they are the parent or guardian of the child, or usually has day-to-day responsibility for the care of the child; and
 - (iii) the child is under 14 years of age.
- 7.22. The childcare must be provided by someone who:
- (i) is not a family member of the elected member; and
 - (ii) does not ordinarily reside with the elected member.
- 7.23. Elected members must provide evidence of the amount paid for childcare.
- 7.24. Eligible elected members can claim up to \$6,000 per year for each child if the childcare meets the criteria above.
- 7.25. All claims for childcare allowance are to be approved by the Chief Executive.

8. Expenses

- 8.1. 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.
- 8.2. In incurring and claiming these expenses, elected members will abide by the principles detailed in Section 5 of this policy.
- 8.3. Any expenses to be reimbursed will be on an actual and reasonable basis and in line with the principles detailed in Section 5 of this policy.
- 8.4. An expense reimbursement form is to be completed and valid GST invoices and receipts attached for all expense claims.
- 8.5. All expense claims are to be returned to the Governance and Executive Support Manager or equivalent role at least quarterly.
- 8.6. All expense claims submitted by elected members are to be approved by the Chief Executive and will be in line with approved Council budgets.
- 8.7. Council's internal audit work programme will include sampling of allowances and expense claims paid to elected members.
- 8.8. Any expenses not currently included in this policy will be subject in the first instance to the criteria set by the relevant annual determination made by the Authority.
- 8.9. All expense reimbursements will be made via Council's payroll system.

9. Transport

- 9.1. Taxis or ride sharing services may be used for Council business, instead of private vehicles or public transport, for safety or security reasons, or where it is the most appropriate form of transport.
- 9.2. Taxis or ride sharing services should not be used where significant travel distances mean that use of a taxi is not the most cost effective option.
- 9.3. Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.
- 9.4. Costs paid for directly by an elected member for unanticipated travel will be reimbursed on presentation of actual receipts.

10. Air Travel

- 10.1. Council will pay domestic air travel for those elected members approved to attend seminars, conferences, training and development courses, or for any other Council business approved by the Mayor and Chief Executive.
- 10.2. All air travel arrangements for elected members are to be made by the appropriate Council officer in accordance with the principles of this policy.
- 10.3. International air travel by an elected member is by way of economy class. The approval of Council is required for exceptions.
- 10.4. Council, where appropriate, will pay travel insurance for all domestic and international travel.

11. Mayor's Allowances

- 11.1. The Mayor will receive an annual membership to the Air New Zealand Koru Club, recognising the frequent travel requirements of the role.
- 11.2. The Mayor will be provided with a vehicle that will also be available for full private use. A pro rata deduction will be made from the Mayor's salary to reflect the full use of the vehicle. The Mayor will not be able to claim for vehicle mileage.

12. Car Parking

- 12.1. The Mayor and Councillors will receive the use of an assigned car park at the Timaru Civic Offices for use on Council business.

13. Accommodation

- 13.1. Council will pay accommodation costs for those elected members approved to attend seminars, conferences, training and development courses, or for any other Council business approved by the Mayor and Chief Executive.
- 13.2. All accommodation arrangements for elected members are to be made by the appropriate Council officer in accordance with the principles of this policy.
- 13.3. 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.

14. Meals, Beverages and Incidentals

- 14.1. Elected Members can claim actual and reasonable meal costs (excluding alcohol, see clause 15.3) incurred while the member is engaged on Council business.
- 14.2. Purchases from hotel mini-bars will not be reimbursed.

15. Hospitality and Entertainment

- 15.1. The Mayor holds a credit card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided. All expenditure on this card is to be approved by the Chief Executive.
- 15.2. Elected members can claim actual and reasonable costs incurred while hosting official visitors to Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to; non-alcoholic drinks and catering.
- 15.3. Alcohol costs will not be reimbursed by Council.

16. Stationery

- 16.1. Council will supply a reasonable amount of paper and printer consumables, and other stationery requirements for Council business.

17. Monitoring

- 17.1. Compliance with this policy will be reviewed on a cyclical basis as part of the Timaru District Council's internal audit process.

18. Reporting

- 18.1. A report on the efficacy of this policy and the internal audit results will be reported to the Audit and Risk Committee by the Governance and Executive Support Manager.

Delegations, References and Revision History					
Delegations Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
Delegation				Delegations Register Reference	
References Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
Title				Document Reference	
Local Government Members (2022/23) Determination, post-allocation of pool				#1505141, #1546601	
Revision History Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1	Chief Executive	October 27, 2022	Council	August 2025	#1544858

Appendix A: Schedule 1

As set by the Local Government Members (2022/23) Determination 2022 from start of 2022-2025 term

Remuneration for Elected Members		
Timaru District Council Total Governance Pool		\$519,365
Mayor's Remuneration:		\$142,005
Councillor (Minimum Allowable Remuneration):		\$40,878
Geraldine Community Board		
Chairperson (if applicable):		\$11,783
Member:		\$5,891
Pleasant Point Community Board		
Chairperson (if applicable):		\$9,241
Member:		\$4,620
Temuka Community Board		
Chairperson (if applicable):		\$12,014
Member:		\$6,007
Fees relating to hearings per hour of hearing time		
Chairperson of a hearing:		\$116
Member not a chairperson:		\$93
The Mayor or a member acting as Mayor will not receive meeting fees for hearings.		
Remuneration for External Members on Council Committees or Subcommittees		
Audit & Risk Committee Independent Member per annum (+ disbursements)		\$11,500
Audit & Risk Committee Independent Chair \$3,200 per meeting (+ disbursements)		\$3,200 (per meeting)
Audit & Risk Committee Independent Chair Advisory Fee		\$1,100 (per month)
Environmental Services tangata whenua representative per meeting		\$130
Local Arts Scheme Committee per meeting		\$130
Youth Initiatives Subcommittee per meeting		\$130
ICT Equipment and Consumables Allowances		
All Elected Members	Mobile phone	\$200 ²
	Printer	\$50
Community Board Chair/Members	Mobile phone	\$200
	Printer	\$50
	Personal pc	\$400
Mobile/Phone/Broadband Services Allowances		
All Elected Members	Mobile phone	\$500 ³
	Internet services	\$800

² Except for Mayor

³ Except for Mayor

Community Board Chair/Members	Mobile phone	\$500
	Internet services	\$800
Vehicle Mileage Allowances for all Councillors and Community Board members		
Vehicle Type	Up to 14,000km of eligible travel	Over 14,000km of eligible travel
Petrol or Diesel	95 cents per km	34 cents per km
Petrol Hybrid	95 cents per km	20 cents per km
Electric	95 cents per km	11 cents per km
Travel Time Allowance		
\$40 for each hour of eligible travel time after the first hour of eligible travel time travelled in a day, up to a maximum of 8 hours in a 24-hour period.		