

Council Briefing Agenda

Date: Monday, 4 November, 2019

Time: 11:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Tricia Cutforth
Cr Shelley Deeming
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Innes
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Apologies

2. Reports

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3. Closure of Meeting

2.1 Elected Member Remuneration for the 2019 – 2022 Term

Meeting: Council Briefing
Date of meeting: 4 November 2019
Reporting officer: Tracey Schiebli (Manager Democracy and Assurance)

1 Purpose

To provide elected members with information about elected member remuneration for the 2019–2022 term. This includes:

- Elected member remuneration that will apply immediately post-election 2019
- The process for the incoming Council to decide on positions of responsibility that will determine future allocation of the governance remuneration pool.

The interactive model provided by the Remuneration Authority to assist Councils with allocation of the governance pool will be demonstrated at the Briefing.

2 Background

Remuneration for elected members in Local Government is set by the Remuneration Authority through the Local Government Members Determination. The Determination covers all New Zealand regional councils, territorial authorities and their community and local boards, and is specific to each Council.

In October 2019 the Remuneration Authority published a guide to remuneration setting for local authorities. A copy is **attached** as Appendix One.

3 Discussion

3.1 Elected member remuneration to apply post-election 2019

Effective from the day after official declaration of results, the mayor and all councillors are paid the rates prescribed in the 2019 Determination for Whangarei District Council:

Mayor	\$156,000
Councillor (Minimum allowable remuneration)	\$48,871

The official declaration of results occurred on 21 October 2019.

3.2 Implementing the Governance remuneration pool

The Remuneration Authority introduced a new methodology for local government remuneration to take effect following the 2019 local government elections. A *Governance*

Remuneration Pool is determined for each Council, based on population, total operating expenditure, total assets, and socioeconomic deprivation index.

The pool enables extra remuneration to be paid to councillors who take on additional responsibilities, for example deputy mayors, committee chairs or portfolio leaders. The pool cannot be used to pay allowances. The pool is required to be fully distributed to elected members.

The annualised value of the pool to be allocated by Whangarei District Council in the 2019/20 year is \$815,063 excluding the Mayoral salary, which is fixed and sits outside the pool.

The incoming Council makes the decisions regarding remuneration of positions of responsibility. The Council also need to decide on the base remuneration for councillors with no positions of responsibility. There is a model to assist Council to look at a range of scenarios, and how these fit within the total remuneration pool.

Councils are required to submit their decisions to the Remuneration Authority for approval. The Authority then issues a new Determination. There are two opportunities to do this, on 20 November 2019 and 24 January 2020. Once the Determination is gazetted the new rates take effect.

Regardless of the Determination date, all remuneration changes will be backdated to the effective date. Approved base remuneration rate for councillors without positions of responsibility will be backdated to the day after the date on which the official results for the council were declared by public notice. Approved remuneration rates for the positions of responsibility will be backdated to the day after the council formally voted to confirm its recommendations.

3.3 Other payments outside the remuneration pool

Under the Local Government Members Determination, elected members are entitled to additional payments for the following work:

- Resource consent hearings under the Resource Management Act 1991, or the Housing Accords and Special Housing Areas Act 2013
- District Plan Hearings
- Regional Plan or Regional Policy Statement Hearings

The hourly rate paid is to be decided by Council up to the following amounts; \$80 an hour for a hearing member, and \$100 an hour for a hearing chair. There is no cap on the payment of fees for these hearings.

3.4 Council's Policy on Elected Members Allowances and Recovery of Expenses

Whangarei District Council also has a Policy on Elected Members Allowances and Recovery of Expenses which is based on requirements of the Determination of the Remuneration Authority. A copy is attached as **Appendix Two**.

Prior to the 2019 Election, the Remuneration Authority introduced a childcare allowance for elected members. The allowance applies to any members who have responsibility for caring for children under the age of 14 years. Payment of the allowance (like all other allowances) is at the discretion of each council. It is intended as a contribution to expenses incurred by members who need to access childcare while engaged on local authority business. The allowance is capped at \$6,000 per annum per child and is subject to certain conditions

outlined in the determination. At its July 2019 meeting Council adopted the Childcare allowance for elected members.

4 Attachments

1. Remuneration Authority: Remuneration Setting for Local Authorities (October 2019)
2. Whangarei District Council Policy on Elected Members Allowances and Recovery of Expenses (August 2019)



RemunerationAuthority

Remuneration Setting for Local Authorities

Published October 2019

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1. Local Government Elected Members

The Authority sets remuneration for elected positions in individual local authorities. It also sets the rules for reimbursement of costs met by members in undertaking their duties.

The Authority does not set remuneration for chief executives of local or regional councils. That is the responsibility of the local/regional authorities.

Current remuneration for local authority elected members

Information on current remuneration and allowances for local authority elected members is in:

[Local Government Members \(2019/20\) Determination 2019](#)

2. The legal framework for setting local authority elected members remuneration

The main acts relating to remuneration and allowances for elected local authority members are the Local Government Act and the Remuneration Authority Act.

- The [Local Government Act 2002](#) (clause 6 of Schedule 7), provides for the Remuneration Authority to:
 - set the remuneration, allowances and expenses of mayors, regional chairs and other elected members on local authorities including local and community boards;
 - set scales of salaries, allowances, ranges of remuneration, different forms of remuneration; prescribe rules for the application of those scales, ranges or different forms of remuneration; differentiate between individuals occupying equivalent positions in different, or in the same, local authorities or community boards; set pay arrangements that apply to individuals or groups occupying equivalent positions;
 - make determinations that apply to individuals, or groups, occupying equivalent positions;
 - approve rules proposed by a local authority for reimbursing expenses incurred by members, subject to any conditions that the Authority thinks fit.

Under clause 7 of Schedule 7 of the [Local Government Act 2002](#) when determining elected members' remuneration the Authority must have regard to the need to:

- minimise the potential for certain types of remuneration to distort the behaviour of elected members;
- achieve and maintain fair relativity with the levels of remuneration received elsewhere;
- be fair both to the persons whose remuneration is being determined and to ratepayers;

- attract and retain competent persons.
- The [Remuneration Authority Act 1977](#) (sections 18 & 18A) sets out additional criteria to which the Authority must have regard in determining the pay for local authority elected members and the other groups and individuals for which it sets pay. These are:
 - the requirements of the job;
 - the conditions of service enjoyed by the persons whose remuneration is being determined and those enjoyed by the persons or members of the group of persons whose remuneration and conditions of employment are, in the opinion of the Authority, comparable with those of the persons or members of the group of persons whose remuneration is being determined;
 - any prevailing adverse economic conditions (which may lead the Authority to set remuneration at a rate lower than might otherwise have been the case).

3. Establishing Remuneration for Local Government Elected Members

This section relates to remuneration of elected councillors, mayors and regional council chairs. It does not relate to community board members or members of Auckland local boards.

In 2018 the Authority completed a comprehensive review of its approach to determining the remuneration and allowances for local government elected members. The substance of these changes is outlined below and in other attached links. However, for a deeper understanding of the issues that drove the changes, here is the link to an information paper issued by the Authority in June 2018 describing in detail the proposals and the rationale for them: [Determining the Remuneration of Local Government Elected Members – Information Paper \(PDF, 1MB\)](#)

It should be noted that, in addition to the set remuneration, there is also provision for elected members to be paid for their involvement in hearings and related meetings for resource consents and district/regional plans under the Resource Management Act. Here is the link to the section outlining these payments: [Plan, RMA and HASHA hearings](#)

Elected members are also entitled to a range of allowances that reimburse them for expenditure required in undertaking their duties. All allowances are paid at the discretion of the council. Here is the link to the section describing the allowances: [Elected Members Allowances](#)

The 2018 review resulted in the creation of three new size indices – one each for territorial authorities, regional authorities and unitary authorities – and the consequent construction of a new local government pay scale.

Sizing Local Authorities

For the Remuneration Authority, the term “size index” means the assessed size of the total governance accountabilities of any council – it has no relationship to the number of councillors on that council.

The previous size index (a single index) that was used to size all types of council was based on the population served by each council and the expenditure of each council. Three new size indices have been implemented as a result of the review and they use the following factors:

Territorial Authorities

- Population (source: Stats NZ estimated resident population)
- Total operating expenditure (source: Stats NZ local authority financial statistics)
- Total assets (source: Stats NZ local authority financial statistics)
- Socioeconomic deprivation index (source: University of Otago Socioeconomic Deprivation Indices.)

Regional Authorities

- Population
- Total operating expenditure
- Total assets
- Geographic size (source: Stats NZ geographic Areas)
- Public passenger transport boardings (source: Ministry of Transport’s public transport passenger boardings).

Unitary Authorities

- Population
- Total operating expenditure
- Total assets
- Socioeconomic deprivation index
- Geographic size
- Public transport boardings.

All factors used are retrospective but measured at “a point in time” as near as possible to the time of our decision. That means that, except for the deprivation index, no data sets should be more than three years old.

With the exception of the Auckland Council and the Chatham Islands Council (which because of their respective sizes are considered as outliers), all councils were placed on the new size index at 30 June 2018.

It should be noted that the new size indices were developed specifically for use by the Authority in assessing remuneration and are not intended to meet the needs of any other users.

Local Government Pay Scale

After constructing new size indices, the Authority then also considered a local government pay scale that (as required by our legislation) would have regard in particular to the need to achieve and maintain fair relativity with remuneration received elsewhere. After exploring various occupational groups that might have some relativity with local government elected members, we concluded that the only similar occupation was that of a member of Parliament. We will therefore in future be using the parliamentary salary scale as a comparator, but based on the position of each council on the size index and the pro rata time required for an average local government member to undertake the role on a council of any particular size. No local government elected member, regardless of the size of their role, will be able to be paid more than a Cabinet Minister.

As part of its recent research into the roles of councillors, it became evident that in the large “metro” councils (Christchurch, Wellington, Hamilton, Tauranga and Dunedin) a councillor is likely to work up to full time – i.e. one full time equivalent (FTE). There is a second group of councils where councillor workloads sit between full time and half time, with the workload of members of the remainder of councils generally varying around or below 50% of an FTE. It must be stressed, however, that data collected showed that both between and within councils the average work time differs, even allowing for different roles such as deputy mayor or committee chair. However, the overall pattern was sufficient for the Authority to use it as a basis for decisions.

The pay scale therefore takes into account three factors - the size of the governance role of each council, the average time required by a councillor on a council of a particular size and a general comparison with parliamentary salaries. Local government elected members’ remuneration will in future reflect this pay scale. As a consequence of this changed approach, relativities between councils have been changed, resulting in differential increases in remuneration which began in the 2018/19 Determination and will continue through till 2010/21 at least.

Christchurch (the largest council excluding Auckland) is used to anchor the top of the pay scale. The bottom of the councillor pay scale is anchored by a proportion of the annual average wage. However, we have concluded that there is a “basic job” for any councillor, no matter how small the council size. Except for the Chatham Islands, the lowest councillor remuneration is currently now pegged to a half time equivalent of about two thirds of the average wage. In the case of the smallest councils this breaches our “governance remuneration pool” approach (see below) and means that the resultant governance pool needs to reflect the current number of councillors, rather than the ranking of the council on the size index. Of the 13 councils that are currently impacted, one has 14 councillors, but the average number of members of the remaining 12 councils is between eight and nine.

Introduction of a pool approach

As a further reinforcement of the importance of the size of the total governance accountabilities of the whole council, the Authority looked at the issue of the different

numbers of elected members on different councils. Excluding Auckland and the Chatham Islands the population per councillor ranges from approximately 23,800 to 530 individuals. The idiosyncratic differences we see now are a legacy of historical circumstance such as amalgamations and boundary changes, population sparsity or density - and even the presence or absence of activist community groups at particular times.

The more councillors, the higher the governance cost to ratepayers. Councils with larger ratepayer bases can more easily absorb higher governance costs than can smaller ones. In the 21st century, ubiquitous mobile technology, better transport linkages and the mass media have had a homogenising effect. On the other hand, even in cities, local populations pride themselves on the difference between their area and often quite close neighbouring suburbs. Frequently this is accompanied by expectations of having “their” councillor represent them. This diversity enriches our culture and social fabric. However, if the collective governance role for any council is to be reflected in remuneration and if it is to be fair to ratepayers (as is legally required of the Authority), then such widely varying numbers of councillors beg the question of whether any group of New Zealanders living in a particular area should pay a significantly higher governance cost per head than those living elsewhere.

To resolve this issue the Authority has decided to create a “pool” for each council as a collective, reflecting the size of the actual total governance roles of councils rather than the number of councillors. This “pool” approach is being implemented following the 2019 Local Government election.

Further, the Authority has decided that the councils themselves should each make recommendations on the allocation of their own pool amongst the various positions that councillors undertake on their council. During our review it became clear that regardless of identical legal responsibilities, local circumstances of councils were all very different and that the ability of the Authority to make numerous decisions reflecting these circumstances was limited. Thus the Authority has decided that, beginning from the 2019 election, each council will make recommendations about the allocation of its pool, with the only restriction being that the Authority has decided the minimum base salary for a councillor in each case. Once the council has made its decisions it will forward these recommendations to the Authority for a decision on inclusion in the amending determination.

For details of the process of allocating the pool, here is a link to the section that describes the process: [Implementing the Governance Pool](#) and to the section that outlines the timetable for decisions: [Timetable for Local Government Remuneration Setting](#). Over the three-year cycle the Remuneration Authority will send detailed instructions to mayors, regional chairs and CEOs to keep them informed at all stages of the process. This will include worksheets to facilitate the council in its decision making as well as the relevant forms to fill in.

The impact of differing numbers of councillors on relative total governance pools will remain an issue for active consideration by the Authority in future years when setting local government remuneration.

Auckland and Chatham Islands Councillors

Because of their respective sizes, neither Auckland Council nor the Chatham Islands Council fit within our size index, so each year the Authority will make an informed judgement on the size of the pools for these two councils.

4. Implementing the Governance Remuneration Pool

Approach

Following the 2019 local elections, councils will be implementing their new “governance remuneration pools” allocated to them by the Remuneration Authority.

Each council's governance pool is aligned with their ranking of the council on the relevant size index and within the framework of the new local government pay scale. The governance pool will provide the total amount that can be paid in remuneration to councillors in each individual council (aside from the mayor or regional council chair). The governance pool will not have any relationship to the number of councillors. Thus, if a council wishes to change the number of councillors and the Local Government Commission agrees, the size of the governance pool will not change, it will just have to be shared amongst more or fewer people.

Each council will need to decide how it wants to allocate its pool according to its own priorities and circumstances. Roles to which additional differential remuneration can be attached may include not just “internal” council roles such as deputy mayor, committee chair or portfolio holder, but also other jobs representing the council on outside groups.

There will be four requirements for each council:

- **The whole pool must be used.** We understand that in any community there will be pressure to “keep rates down” by paying councillors less and we feel it is important that councils are protected from such pressure.
- **The council will need to decide a “base remuneration” for councillors who have no additional responsibilities.** This could be higher than the minimum allowable remuneration set by the Authority.
- **For any roles which attract additional remuneration above the base rate, the council will be required to have a formal vote** which must include the following: a title and short description of each role (i.e. what are the requirements for the councillor who undertakes it), the proposed annual dollar value of remuneration attached to the role and, course, the name of the councillor elected to fill that role.
- Following its formal decision-making, the council will need to **forward their proposal for additional remuneration to the Authority** for consideration and inclusion in the determination. Prior to the election the Authority will send to all CEOs an electronic worksheet, forms and instructions to facilitate this process.

RMA, HASHA and District/Regional Plan Hearings

Councillors undertaking RMA resource consent hearings and district and regional plan hearings (including Regional Policy Statement) are entitled to additional fees for that work.

Those fees are not drawn from the council's governance remuneration pool (see Plan, RMA and HASHA Hearings (see [Plan, RMA and HASHA hearings](#))).

The governance remuneration pool does not apply to the annual remuneration of mayors, regional council chairpersons, Auckland local board members, or community board members. Their remuneration will continue to be set separately by the Authority.

The allowances that cover all elected members are not part of the council's governance remuneration pool. The recompensing of allowances and hearing fees to elected members comes out of the fund set aside by the council for such payments. Here is the link to the elected members allowances: [Elected Members Allowances](#)

Proposals for Changes During a Council Term

Although most councils are unlikely to change their positions of responsibility during a triennium, the Remuneration Authority will consider proposals made to it by councils requesting new arrangements and will either issue an amending determination or consult further with these councils. All proposals must be submitted to the Authority regardless of the additional level of remuneration proposed. The Authority expects councils to consider their full work programme for the triennium when making proposals.

A council cannot exceed its allocated governance remuneration pool and the pool is required to be fully distributed. The pool covers a base councillors' remuneration, positions of additional responsibility and additional remuneration paid to community board members who have been delegated significant levels of responsibility (see section on [Remuneration for Community Board Members](#)).

Establishing a New Position of Responsibility

If a council proposes to establish a new position, it will need to review its allocation of its governance remuneration pool. Because the pool will already be fully allocated, the new position, if it is not replacing an existing position, will require a reallocation of the remuneration paid to other positions that were previously approved by the Authority.

Disestablishing a Position of Responsibility

If a council proposes to disestablish a position of responsibility, the council will need to review its allocation of its governance remuneration pool. As the pool is required to be fully allocated, the released amount available from the disestablished position will need to be reallocated amongst the other existing positions covered by the pool.

Seeking Remuneration Authority Approval

In both cases (establishing and disestablishing a position) the councils will need to seek the Authority's approval to make the changes. Councils' proposals must include the following information:

- Name of council
- Number of elected members
- Governance remuneration pool

- Councillor minimum remuneration
- (Proposed) base councillor remuneration
- Name/title of each (proposed) position of responsibility including:
 - Brief description of additional responsibilities above those of a base councillor
 - Number of members per position
 - (Proposed) annual remuneration for the position
 - Confirmation that the pool is fully allocated
 - Date positions and remuneration were confirmed by council

Criteria

The Authority has traditionally accepted proposals in respect of additional remuneration that are unanimously supported by council.

Where it receives split recommendations, strong supporting documentation concerning the reasoning behind any change in the recognition of positions should be provided.

The Authority will consider proposals for changes as they are received. The process of developing and producing a determination generally takes about three months to complete. In all cases where there is a change, councils need to wait till an amended determination is gazetted by the Authority before they can make the changes to their elected members remuneration. However, all payments are effective on and from the day after the date on which the Council confirmed the position, so will be backdated in the determination.

A council cannot generally make a request for an increase in the size of its governance remuneration pool if it appears that it is not sufficient to meet their needs. Under extraordinary circumstances (for example following a major natural disaster) the Authority might agree to an increase.

Representation Reviews

Changes in councillor numbers following a representation review will not affect the council's governance remuneration pool. However, it will have an impact on councillors' minimum allowable remuneration and consequently it will impact the remuneration rate set for a base councillor and for positions of responsibility.

The reduction in councillor numbers will see an increase in the funds available from within the governance pool to allocate to the base councillor position and positions of responsibility. Conversely more councillors would mean that the available governance pool would need to be spread among more people.

5. Remuneration for Mayors and Regional Council Chairs

The Authority considers that, with the exception of the Mayor of the Chatham Islands, all mayors and regional council chair positions should be remunerated as full time.

Remuneration for mayors and regional chairs is not included in the council governance remuneration pool, but it is set directly by the Authority. Remuneration for a mayor or

regional chair will be based on the placement of their council on one of the three size indices, plus the relationship that the Authority has established between local government and parliamentary remuneration. Here is a link to the paper outlining the approach to sizing local authorities and to the local government pay scale: [Information Paper](#)

Mayors/chairs (with the exception of the Mayor of the Chatham Islands) are not able to claim travel time allowance and no additional remuneration can be provided to them, with the exception of fees for resource consent hearings in exceptional circumstances. Here is the link with information on these payments: [Plan, RMA and HASHA hearings](#)

The Authority takes a “total remuneration” approach to mayor and regional chair remuneration. This means that mayors/chairs who choose to have a council-provided car will have their remuneration adjusted by their council, using the formula provided by the Authority. The formula will be included in each annual determination. A limit has been set on the value of council-supplied vehicles, again with the maximum purchase price provided in each determination. The purchase price of current vehicles that were bought before 1 July 2018, will be “grand-parented” until they are disposed of by the Council or no longer used by the mayor/chair.

The Authority expects that if a mayor or regional council chair is provided with a motor vehicle, the local authority will publish in its annual financial statements the vehicle details, including its annual value as a component of the mayor’s or regional chairperson’s total remuneration.

6. Remuneration for Community Board Members

Basis of Community Board Member Remuneration

A council’s rank on the size index, used for the remuneration of mayors/regional chairs and councillors, is not used to size community board remuneration, which is related solely to population size.

The Authority conducted a review of community boards early in 2019. Here is the link to the results of the review: [Community Board Paper](#). The review showed that community boards have a massive span in terms of their resident per capita representation - from 72 residents to 13,000 residents per board member. This range in representation represents the biggest difference amongst all boards. However there is also a myriad of differences in what the boards actually do, with many of them administering, for example, modest grant funds or being responsible for a budget for town centre amenity improvements. Despite these variations, the Authority concluded that the primary function of the overwhelming majority of community boards is representation and advocacy.

This being so, we have taken the view that having community board remuneration linked to population is fairer to board members. It is reasonable to expect that the time, effort and expertise required to represent a large number of people would be greater than that for a board representing a smaller number of people.

This does not mean that community board remuneration is an exact fixed multiple of its population; rather it means that there is relativity between a community board's population and the remuneration of its elected members.

Additional Delegations to Community Boards

A small number of community boards have reasonably substantial delegations from their councils. The Authority is currently considering these boards' functions and work load in relation to their councils and will be in a position to make an amending determination early in the calendar year 2020. That decision will apply to all the community board functions that were formally delegated prior to the October 2019 election.

If any council wants to delegate further functions from the time it takes office following the October election and want the community board remuneration to increase accordingly, the value of that increase will need to come out of the council governance remuneration pool, recognising that additional work by community board members relieves councillors of this work.

Additional levels of responsibility can be recognised only for the board as a whole, and not for individual members. Each proposal will be considered on a case by case basis. Evidence will be required to show how any community board is operating significantly above and beyond the role of community boards as outlined in section 52 of the Local Government Act 2002. The maximum amount that can be added to the community board member remuneration is 30%.

Councillor Members of Community Boards

Where a councillor is formally appointed as a member or chair of a community board, she or he is not automatically entitled to remuneration as a councillor as well as remuneration as a community board member. Following the 2019 election, any such additional remuneration will come from the council's governance pool.

Chairs and Deputy Chairs of Community Boards

The remuneration of an elected chair of a community board will be twice the remuneration of a community board member, including additional remuneration for that board's members, if any (see below).

The deputy chair of a community board is remunerated as a board member, reflecting the Authority's view that the role of deputy chair is not sufficiently different from that of a board member to warrant additional remuneration.

7. Remuneration for Auckland Local Board Members

Approach

During the first quarter of 2019 the Remuneration Authority completed a review of its approach to setting the remuneration of Auckland local boards elected members.

As part of the review of Auckland local boards they were "re-sized" according to similar criteria that were used for territorial authorities (TAs) but with different weightings and

sources. The Authority was not able to use an identical size scale to that of TAs because they have different responsibilities from those of Auckland local boards which all have unique characteristics. However, there are also some in common. We understand that some of the factors we use are also used by Auckland Council in allocating operational budget to their local boards. Please note that size relates to the role and responsibilities of the entire board, not to the number of elected members or to the population size the board serves, although population is one of the important factors we considered as follows

- Population (source: Stats NZ estimated resident population)
- Gross operating expenditure (source: Auckland Council assets attributed to local boards)
- Total assets (source: Auckland Council annual plan local board agreements)
- Socioeconomic deprivation index (source: University of Otago Socioeconomic Deprivation Indices)

All factors used are retrospective but measured at “a point in time” as near as possible to the time of our determination. That means that, except for the deprivation index, no data sets should be more than three years old.

After constructing the new size index, the Authority then considered an appropriate pay scale, covering the local boards, that (as required by our legislation) would have regard in particular to the need to achieve and maintain fair relativity with remuneration received elsewhere particularly between the members of Auckland Council's Governing Body and the local boards, and between the individual local boards.

Having re-sized, we also had to make a decision as to whether or not we would allocate a pool for each board to make proposals to the Authority to distribute or whether we would continue to solely decide remuneration. We have opted to continue the latter approach for the time being as Auckland local boards have no formal positions of responsibility aside from their chairs and deputy chairs. For that reason, the Authority will continue to set remuneration for Auckland local board chairs, deputy chairs, and members.

Auckland Local Board Chairs and Deputy Chair

The annual remuneration rate of an elected chair of an Auckland local board is set at twice the remuneration of an elected member on the same board.

A deputy chair of an Auckland local community board's remuneration is set at 60% of the rate set for their respective chair.

The Authority believes that those rates are a fair recognition of the extra workload attached to the chair and deputy chair's positions.

8. Local Government Elected Members Allowances

Elected members of a local authority may be entitled to receive the following allowances, but it should be noted that all allowances are entirely at the discretion of their individual council within the limits set by the Remuneration Authority.

- [Vehicle Mileage Allowance](#) – to reimburse costs incurred on eligible travel associated with local authority business.
- [Travel Time Allowance](#) – to reimburse costs incurred for eligible time spent travelling within New Zealand associated on local authority business.
- [Communications Allowance](#) – to reimburse costs incurred for the provision of information and communications technology required by the elected member to perform their local authority functions.
- [Childcare Allowance](#) – to contribute towards the expenses incurred by an eligible member for the provision of childcare while the member is engaged on local authority business.

These allowances are reviewed annually by the Remuneration Authority.

If a council approves an allowance for their elected members it must be included in the council's elected members expenses and reimbursement policy, which the council publishes on its website.

Note: councils are no longer required to obtain the Authority's agreement to changes to their elected members' expenses and reimbursement policy or to their mayors/regional chairs' motor vehicle entitlements so long as the policy remains within the limits of the current remuneration and allowances determination.

9. Vehicle Mileage Allowance

A local authority may pay to an elected member a vehicle mileage (kilometre) allowance to reimburse that member for costs incurred in respect of eligible travel by private motor vehicle.

A member's travel is eligible for the allowance if it occurs on a day when the member is not provided with a motor vehicle by the local authority and the member is travelling in a private vehicle on local authority business by the most direct route that is reasonable in the circumstances.

The allowance payable to a member for eligible travel is:

- (a) for a petrol or diesel vehicle,—
 - (i) **79** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and

- (ii) **30** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
- (b) for a petrol hybrid vehicle,—
 - (i) **79** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) **19** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
- (c) for an electric vehicle,—
 - (i) **79** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) **9** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.

The vehicle mileage allowance reflects the kilometre rates, for self-employed people and employees, published by the Inland Revenue Department on its website as at 7 June 2019.

10. Travel Time Allowance

Criteria

All elected members except mayors and regional council chairs (excluding the Mayor of the Chatham Islands) are entitled to claim an allowance for time travelled within New Zealand on local authority business, provided:

- the council agrees to adopt a travel time allowance policy;
- the journey is by the quickest form of transport reasonable in the circumstances;
- the travel time exceeds one hour;
- the travel time does not exceed nine hours (including the first hour which is not covered) within a 24 hour period.

The allowance is available each day for any business on behalf of the council or board or between the member's residence and an office of the council or board. It is not available for overseas travel.

An elected member of a local authority who resides outside the local authority boundary and travels to the local authority area on local authority business is eligible for a travel time allowance in respect of eligible travel time only after the member crosses the boundary of the local authority area after the first hour of eligible travel within the local authority area.

Mayors and regional council chairs, with the exception of the Mayor of the Chatham Islands, are not entitled to claim a travel time allowance because their roles are deemed to be full time and they are remunerated accordingly. In future the Authority may reconsider this entitlement for councillors whose roles are assessed to be full time.

Rate

The current rate is \$37.50 per hour in respect of any qualifying travel that conforms to the criteria above.

11. Communications Allowances

Approach

It is the Remuneration Authority's view that elected members should not carry the costs of communicating with councils or with ratepayers. It is the responsibility of each council to decide the communications equipment needed to carry out its business effectively and efficiently and decisions about equipment for members should flow from that.

Council owned equipment

The Authority believes it is efficient if a council provides each elected official with a phone (mobile or landline), a PC and/or a tablet or a laptop, and a compatible scanner & printer. The council should also cover the costs of any consumables required.

Equipment should remain the property of the council and shall be replaced or updated at least triennially.

Whilst the Authority has a strong preference for direct provision of equipment, the decision on whether elected members can use personal devices and the nature of the technology required will be a local decision. In approving allowances in expenses documents, the Authority will seek confirmation of a formal decision by the council around the use of technology.

Member owned equipment

Where councils decide to provide an annual allowance to those using their own devices and/or connections, the following annual allowance will apply:

- for the use of a personal computer, tablet or a laptop, including any related docking station, \$200;
- for the use of a multi-functional or other printer, \$40;
- for the use of a mobile telephone, \$150;
- for the use of a home internet/broadband connection, \$400;
- for the use of a personal telephone plan, \$400 or actual cost upon production of receipts.

The total annual cost of allowances to a member for the use of her or his own equipment and services must not exceed \$1190.

Where the council provides a mobile phone plan, the portion of the cost to be paid by the member to cover personal use will be agreed with the council. The Authority recommends that councils look at current practice in central government for models and we can supply examples if requested.

The Authority has assumed that councils will not be providing plans for home internet/broadband services because household use is growing significantly and it is unlikely that official use required by the elected member will be a high proportion of the cost. However, in cases where this is not so and the council wishes to supply the whole plan, the council should contact the Authority.

Unusual circumstances

In some areas of the country a regular landline or mobile coverage is not available. Where such circumstances exist the council may put a costed recommendation to the Authority for approval to make a one-off payment for installation of appropriate technology and either a reimbursement or allowance for on-going maintenance and support reflecting the costs involved. It is anticipated this allowance will normally reflect no more than 75% of the costs involved.

12. Childcare Allowance

Approach

On 1 July 2019, the Remuneration Authority introduced a childcare allowance for local authority elected members who have responsibility for caring for children under the age of 14 years. The allowance is a contribution towards expenses incurred by the elected member for the provision of childcare while the member is engaged on local authority business.

The introduction of the allowance is in response to widespread concern from the local government sector that a lack of financial support for childcare created a barrier for people, in particular women, to enter into elected positions. Research shows that a number of councils in similar jurisdictions (Australia and the United Kingdom) provide their elected members with allowances to cover costs associated with child and dependent care whilst the elected member is on local authority business.

Eligibility

An elected member is eligible to be paid a childcare allowance if:

- they are the parent or guardian of the child, or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis);
- the child is aged under 14 years of age; and
- the childcare is provided by a person who
 - is not a family member of the member;
 - does not ordinarily reside with the member; and
- they provide evidence satisfactory to the council of the amount paid for childcare.

Allowance

Councils can reimburse eligible elected members for childcare while engaged on council business up to a sum of \$6,000 per annum for each child under 14 year of age.

13. Plan, RMA and HASHA Hearings

Hearings Fees

Elected members are entitled to receive additional payments for the following work:

- Resource consent hearings under the [Resource Management Act 1991](#) (RMA) or the [Housing Accords and Special Housing Areas Act 2013](#) (HASHA)
- District Plan hearings
- Regional Plan or Regional Policy Statement hearings.

These fees are not part of the governance remuneration pool covering councillors' remuneration and positions of additional responsibility.

There is no annual cap on the payment of fees for these hearings.

The hourly rate paid is to be decided by the council up to the following amounts:

- \$80 an hour for a hearing member; and
- \$100 an hour for a hearing chair.

Councils must include their hearings fees in their individual expense and reimbursement policy.

The Authority does not have any jurisdiction over fees related to alcohol licensing hearings.

Preparation Time

Councillors undertaking these hearings are also paid for preparation time. Preparation time to be reimbursed should not exceed the time of the actual hearing. For example, if a hearing lasts for three hours then no more than three hours of preparation time may be paid. Preparation time may include time for reading, attending onsite meetings, or attending pre-hearing briefings/meetings.

Reimbursement will be at the same rates as those for actual hearings time. The chair of a hearing may also be paid for time spent writing up the decision or communicating for the purpose of the written decision.

Committee Chair Chairing a Hearing

If the chair of a council's Hearings Committee undertakes resource consent hearings and is paid additional fees for that, those fees are in addition to what that person can be paid for the additional responsibility as chair of the Hearings Committee.

Mayors/Regional Chairs

Generally, mayors and regional chairs are not able to receive fees for participating in resource consent hearings. Fees might be considered in exceptional circumstances if there is a shortage of experienced hearing commissioners on the council and there is a significant hearing of a lengthy duration, which would create undue time pressure on the mayor or

chair. In such circumstances, no fees should be paid without seeking prior approval from the Remuneration Authority.

14. Private Use of a Vehicle Provided to a Mayor or Regional Council Chair

A council may decide whether or not to provide their mayor or regional council chair with a motor vehicle and on what basis. The determinant is what is most cost effective for the council and ratepayers.

If a motor vehicle is provided to a mayor or regional chair for their private use the council is responsible for valuing the cost of private use and for making the appropriate deduction from the mayor or regional chair's annual remuneration as shown in the local government members' determination.

Maximum Purchase Prices

The Remuneration Authority has set a limit on the actual purchase price that may be paid for a motor vehicle bought by a council for their mayor or regional council chair's use. The maximum purchase prices will be set each year in the determination. The maximum purchase prices applying for motor vehicles purchased from the year beginning 1 July 2018 are for:

- a petrol or diesel vehicle – \$55,000 (including on road costs, dealer charges and GST paid)
- an electric or hybrid vehicle – \$65,000 (including on road costs, dealer charges and GST paid).

Note the above limits do not apply to existing motor vehicles purchased before 1 July 2018. In these cases the actual purchase prices are "grand-parented" until the existing vehicles are either replaced or relinquished.

Valuing the Private Use of a Vehicle

Usage criteria

One of following criteria must be applied by the council (for all vehicles purchased either before or from 1 July 2018):

Full private use – the vehicle:

- is usually driven home and securely parked by the mayor or regional chair;
- is available for the mayor or regional chair's unrestricted personal use;
- is used by the mayor or regional chair for a mix of council business; private use; and
- may also be used by other local authority members or staff on council business, with the permission of the mayor or regional chair.

Partial Private Use – the vehicle:

- is usually driven home and securely parked by the mayor or regional chair;
- is used by the mayor or regional chair for a mix of Council business and private purposes;
- may also be used by other local authority members or staff on Council business, with the permission of the mayor or regional chair;
- is used of the vehicle for private purposes accounts for no more than 10% of the vehicle's annual mileage; and
- all travel in the vehicle is recorded in a logbook.

Restricted Private Use – the vehicle:

- is usually driven home and securely parked by the mayor or regional chair;
- is otherwise generally available for use by other local authority members or staff on Council business;
- is used solely for Council business; and
- all travel in the vehicle is recorded in a logbook.

Calculate Deductions

If the mayor or regional chair is provided with a vehicle, the Council must deduct from the annual remuneration of the mayor or regional chair the appropriate amount calculated in accordance with one of the following formula:

Full private use:

- $V \times 41\% \times 20\%$

eg: $\$42,800 \times 41\% \times 20\% = \$3,510$.

Partial private use:

- $V \times 41\% \times 10\%$

eg: $\$42,800 \times 41\% \times 10\% = \$1,755$.

Note an amount less than 10% for partial private use is no longer applicable.

Restricted private use:

No deduction from annual remuneration.

Where:

- **V** = actual purchase price, on-road costs, dealer charges and GST paid
- **41%** = assessed annual value of motor vehicle
- **20%** = assessed as full private use
- **10%** = assessed as a lesser amount of private use which must be supported by a log-book

For example	Full private use	Partial private use	Restricted private use
Annual remuneration as shown in either schedule 1 or schedule 2	\$85,220	\$85,220	\$85,220
Motor vehicle deduction	\$3,510	\$1,755	\$0
Salary paid	\$81,710	\$83,465	\$85,220

Publication of Motor Vehicle and Remuneration Details

The Authority expects that if a mayor or regional chair is provided with a motor vehicle, the council will publish in its annual financial statements the vehicle details including its annual value as a component of the mayor or regional chair's total remuneration.

Publication of Policy

If a council approves the provision of a motor vehicle for their mayor or regionals chairs private use the policy must be included in the council's elected members expenses and reimbursement policy which is published on their website.

15. Timetable for Local Government Remuneration Setting

The Remuneration Authority will review the local government size indices and the councils' rankings on the indices once every three years. This work will commence during the year immediately before a local government election year.

Local Government Election Year

At the beginning of each election year, the Authority will issue a list showing the councils' rankings, their planned individual governance remuneration pools (NB: this is not a national pool) and minimum allowable councillor remuneration that will apply from 1 July. This timing will allow existing councils to assess any changes and propose recommendations for remuneration based on the size of the pool available. Well before the election at which they will be required to implement the pool. People considering running for office will have this information prior to the election, for example: they will have an indication of the remuneration they could expect if elected as a councillor without any additional responsibilities.

Each council is expected to submit a proposal to the Authority in the first part of the calendar year in which the election is scheduled. We will issue a determination in the middle of that year which will have two parts:

Part One - for the period from July 1 till the day on which the new council assumes office, and

Part Two - for implementation when the new council takes office following the election.

When the new council takes office, all councillors (except the mayor) will receive the base councillor remuneration set out in Part One of that year's determination. For positions of responsibility (including the subsequently elected chair of a regional council), the remuneration will apply from the date the new council makes its formal decision on roles. If newly elected councils wish to change the proposal they will have a window of three months following the election to do so and submit the proposed changes to us for incorporation into a determination that will be backdated to the date the new council made its formal decision on roles and appointments.

Non-election Years

In the years between the assessments of the "governance pool", all local government elected member remuneration will be changed on an annual basis using the same public sector equivalent formula that the Authority utilises for parliamentary remuneration.

16. Other Information

- [Local authorities size indices rankings – June 2018](#)
- [Information paper: determining the remuneration of local government elected members – June 2018](#)
- [Review of community boards remuneration – April 2019](#)
- [Auckland local boards size ranking – February 2019](#)



Whangarei District Council Policy

***Policy on Elected Members
Allowances and Recovery of
Expenses***

Policy 0054

Policy On Elected Members Allowances And Recovery Of Expenses			
Audience (Primary)	Internal	Business Owner (Dept)	Democracy
Policy Author		Review date	August 2019

1. INTRODUCTION

This policy sets out rules on the claiming of expenses by elected members and the resources that will be available to them during their term of office.

Contact person for queries: Tracey Schiebli
Email: Tracey.Schiebli@wdc.govt.nz

2. TERM AND REVIEW OF POLICY

This policy was adopted by Whangarei District Council at its meeting of 31 August 2017.

Limits set in the policy and processes for approval are the same as that approved for the 2016-2019 term, and approved by the Remuneration Authority. These limits are included in the Determination of the Authority which came into effect 1 July 2017, and remain in place for the term of the next Council unless altered by determination (i.e. until October 2019).

Limits are subject to periodic amendment as a result of any subsequent Determination of the Authority. As Council is required to comply with any Determination of the Authority amendments to the policy resulting from a Determination will not be brought to Council for a decision, unless required. To ensure visibility of any changes these amendments will be captured in the table below.

Prepared/reviewed/updated by			
Date	Name	Designation	Status/Update
August 2017	Jason Marris		Approved new version by Council
August 2018	Dominic Kula		Updated amendments noted by Council
November 2018	Nicolene Pestana		Appendix C updated
June 2019	Nicolene Pestana		Appendix C updated
September 2019	Nicolene Pestana		Addition of Childcare Allowances and Recovery of Expenses Policy

This policy has a three year term from July 2016 - July 2019. The policy will be updated by staff to comply with any Determination of the Remuneration Authority during this term.

3. DOCUMENTATION OF RELATED POLICIES

In addition to this document, the following documents set out the policies, rules and procedures relating to the expenses and allowances payable to elected members, or are relevant supporting documents:

- Travel Policy (12/29009) Approved April 2012
- Fleet Management Policy Manual (10/21359) Approved September 2012
- Sensitive Expenditure Policy (13/32037) Approved 2016

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4. CONDITIONS FOR EXPENSE REIMBURSEMENTS AND ALLOWANCES

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.

Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects. Transparency is achieved through publication on the Council's website of all expenses for elected members, and/or via the committee agenda responsible.

The process for reimbursement of claims includes the following principles:

- being in accordance with Council's Travel Policy
- any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy
- expense claims must be provided and full original receipts and GST invoices are required
- cost reimbursements will be made via the payroll system.

In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

In the case of vehicle mileage, travel time and communications, all limits set in this document are as recommended by the Remuneration Authority and will be included in a Determination of the Authority. Council has no ability to change these limits.

All expenditure that falls under this policy will be approved on the condition that it can be met within relevant budget provisions.

5. DEFINITIONS

"Actual" means as evidenced by the original receipt attached to the claim form.

"Reasonable" means that it is within the amount specified by this policy or as deemed reasonable by the Mayor, Deputy Mayor and/or Chief Executive.

"Council business" includes: formal council, 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.

6. ALLOWANCES AND EXPENSES BY GROUP OF MEMBERS

Position	Expense/ Allowance	Description/process	Approval
All Elected Members	Taxis	<p>Taxis may be used for Council business, instead of private vehicles or public transport, for safety/security reasons, and when travelling outside Whangarei if a taxi is the most appropriate form of transport.</p> <p>Taxis may not be used if significant travel distances mean that use of a taxi is not the most cost effective option. Rental cars booked by either the PA to the Mayor and Deputy Mayor (for the Mayor and Deputy)</p>	Manager Democracy and Assurance

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Policy Author		Review date	August 2019

Position	Expense/ Allowance	Description/process	Approval
		<p>or elected member support should be considered as an option in such circumstances.</p> <p>Taxi charge vouchers should be used for planned travel within New Zealand. Costs paid for directly by the individual for unanticipated travel within New Zealand or for international travel will be reimbursed on presentation of actual receipts.</p>	
	Rental Cars	Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.	Manager Democracy and Assurance
	Travel and attendance at conferences/ seminars /training programmes	<p>All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at these events, held both within New Zealand and overseas, subject to:</p> <ul style="list-style-type: none"> • being in accordance with Council's Travel Policy, and • related expenditure being accommodated within existing budgets, and • the appropriate approvals as outlined in this policy <p>and excluding reimbursement for purchases from hotel mini-bars and charges for in-room video or cable movies.</p> <p>All travel and accommodation arrangements for elected members are to be made with the Council's preferred travel agents, at the most economic cost available (when possible) at the time of booking, unless all travel costs are being met privately or by an outside party. In the case of councillors, a request can be made by providing the completed form in Appendix A to elected member support. In the case of the Mayor this can be provided to the PA to the Mayor and Deputy Mayor.</p>	Council, Mayor, Deputy or CE depending on position and circumstances (refer below for detail)
	Exceptional circumstances for Council related meetings	Elected member support may arrange overnight accommodation in accordance with Council's Travel Policy when travel or business requirements do not allow for return on the same day, e.g. if it is unreasonable for an elected member to travel to their home after a late meeting.	CE
	Domestic air travel	All elected members are entitled to utilise domestic air travel for Council related travel, generally where travel by air is the most cost effective travel option. Travel must be in accordance with Council's Travel Policy using the form attached as Appendix A.	CE
	International air travel	As a general policy all elected member international air travel is by way of economy class, where all or part of the costs of the fares are to be met by Council. Travel must be in accordance with Council's Travel Policy using the form attached as Appendix A. The approval of the Council is also required for exceptions, e.g.	Council

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Position	Expense/ Allowance	Description/process	Approval
		where Premium Economy (or any equivalent seating class) is desirable for health or other compelling reasons.	
	Private accommodation provided by friends/ relatives	Payment of \$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.	Manager Democracy and Assurance
	Car parking	Car parks at Forum North are provided for elected members for use for Council business only	N/A
	Stationery and consumables	Elected member support will supply reasonable amounts of 'standard' paper and printer consumables for Council business.	N/A
	Communication equipment	<p>Option of either:</p> <p>Provision of a mobile phone, PC or laptop, iPad or Tablet and printer. Full technical support is provided for Council business, or</p> <p>Where demonstrated that these assets are held by the elected member and that the use of personal assets would better meet their needs, provision of an annual allowance for any or all equipment provided by the elected member, as follows:</p> <ul style="list-style-type: none"> • \$200 for the use of one personal computer, or tablet, or laptop, including any related docking station • \$40 for a printer • \$150 for a telephone (mobile). <p>The provision of hardware will be co-ordinated by elected member support and allowances can be sought by lodging the claim form attached as Appendix B.</p>	Manager Democracy and Assurance
	Childcare	<p>All elected members may claim an allowance towards expenses incurred by the member for childcare provided while the member is engaged on local authority business. A member is eligible if:</p> <ul style="list-style-type: none"> • the member is a parent or guardian of the child, or is the person who usually has the responsibility for the day to day care of the child (other than on a temporary basis) • the child is aged under 14 years of age • the childcare is provided by a person who is not a family member, and does not ordinarily reside with the member • the member provides evidence of the amount paid for childcare. <p>The allowance is limited to a maximum of \$6,000 annually per child.</p>	Manager Democracy and Assurance

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Position	Expense/ Allowance	Description/process	Approval
Council- ors	Travel Time	<p>Travel time allowance of \$37.50 for each hour of eligible travel time of the member after the first hour travelled in a day.</p> <p>Eligible travel is travel that is;</p> <ul style="list-style-type: none"> on local authority business, and by the quickest form of transport that is reasonable in the circumstances, and by the most direct route in the circumstances <p>The maximum amount of travel time allowance that a member may be paid for eligible travel in a 24 hour period is 8 hours.</p> <p>Reimbursement can be sought by lodging the claim form attached as Appendix B.</p>	Manager Democracy and Assurance
Mayor	Car	If sought the Mayor will be provided with a vehicle that will also be available for their partial or full private use in accordance with any declaration to the Remuneration Authority. A deduction will be made from their salary as determined by the Remuneration Authority. The Mayor will then not be able to claim for vehicle mileage.	N/A
	Travel and conferences, courses and seminars	<p>The prior approval of the Chief Executive is required for travel within New Zealand for:</p> <ul style="list-style-type: none"> Council business attendance at conferences/courses/training events/seminars other purposes associated with the position of Mayor. <p>The prior approval of the Council is required for all international travel, where costs or partial costs are paid for by Council funds.</p> <p>Where the Mayor or the Mayor's authorised representative is accompanied by their partner on international travel, the Council will meet the cost of their travel, accommodation and incidental costs.</p> <p>The Council will authorise such expenditure only where the partner's involvement directly contributes to a clear business purpose.</p>	Council or CE depending on the circumstances
	Telephone costs	<p>Full payment by the council of:</p> <ul style="list-style-type: none"> home telephone line rental, and mobile phone based rental and all associated call charges. <p>Reimbursement can be sought by lodging the claim form attached as Appendix B.</p>	Manager Democracy and Assurance
	Entertainment and hospitality	The Mayor may hold a purchasing card or credit card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business.	CE

Policy On Elected Members Allowances And Recovery Of Expenses			
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Policy Author		Review date	August 2019

Position	Expense/ Allowance	Description/process	Approval
		<p>Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.</p> <p>All expenditure on this card is approved by the Chief Executive.</p> <p>Particular regard must be given to Council's Sensitive Expenditure policy so that the risks associated with transactions of this nature are managed effectively.</p>	
Council- ors	Conferences, courses, seminars and training	<p>The conference, course, seminar or training event must contribute to the councillor's ability to carry out Council business.</p> <p>Attendance at these events when held in New Zealand must be approved by both the Mayor (or the Deputy Mayor) and the Chief Executive.</p> <p>Attendance at these events when held overseas must be approved by the Council.</p>	Council, Mayor, Deputy and/or CE depending the circumstances
	Entertainment and hospitality	Reimbursement of costs incurred while hosting official visitors to the Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to, tea/coffee, and catering including alcohol with meals. Reimbursement can be sought by lodging the claim form (attached as Appendix B) with relevant documentation.	Manager Democracy and Assurance
	General community related expenses	<p>From time to time councillors may have unforeseen costs arise for items relating to community events, e.g. payment of koha, or purchasing a wreath for attendance at a commemorative event.</p> <p>Reimbursement of such expenditure should be previously approved by the Chief Executive if known. The items should be appropriate to the occasion and expenditure should be moderate and conservative. Reimbursement can be sought by lodging the claim form attached as Appendix B.</p>	CE
	Vehicle mileage	<p>Vehicle mileage will be paid if you:</p> <ul style="list-style-type: none"> • use a private vehicle • are on local authority business • travel by the most direct route that is reasonable in the circumstances <p>Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination.</p> <p>Reimbursement can be sought by lodging a mileage claim on the form attached as Appendix C.</p>	Manager Democracy and Assurance
	Mobile phone expenses	<p>There are two options:</p> <ol style="list-style-type: none"> 1. An allowance towards Council generated calls, texts and data through mobile phones of up to 	Manager Democracy and Assurance

Policy On Elected Members Allowances And Recovery Of Expenses			
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Policy Author		Review date	August 2019

Position	Expense/ Allowance	Description/process	Approval
		\$400 for councillors. This allowance can be sought by lodging the claim form attached as Appendix B 2. Reimbursement of actual costs of phone calls made on local authority business upon production of the relevant telephone records and receipts	
	Internet connection	For an Internet connection (with or without a telephone connection), \$400. Reimbursement can be sought by lodging the claim form attached as Appendix B.	Manager Democracy and Assurance

7. INSURANCE

Council's insurance portfolio includes a Trustees Liability Policy covering elected members for appointments to trusts where such representation is at the request of Council in connection with Council business. The limit of indemnity of this policy is \$5,000,000.

8. SOFTWARE AND SUPPORT FOR COMMUNICATIONS EQUIPMENT

All elected members requiring Information Technology devices will be eligible for either allowances or the provision of devices as outlined in any Determination and guidance from the Remuneration Authority.

Relevant communications equipment will be loaded with the following software:

- 1 Latest suitable Microsoft PC Operating System
- 2 The version of Microsoft Office currently in use at WDC
- 3 Software necessary for connection to WDC Network.

Any other software required by individual elected members will be installed subject to the following rules:

- 1 The software must be compatible with software already loaded
- 2 Installation must be done by WDC IT staff
- 3 Software to be provided at elected member's expense.

Connection to the WDC Network will not be provided unless an exception is approved by the Chief Executive. Access will be subject to completion of the Application for Remote Access and compliance with all WDC internal ICT policies.

Any elected member issued with a device must comply with all the following support requirements:

From time to time WDC will request the return of equipment in order to update core operating software, anti-virus protection and for other maintenance purposes, elected members must ensure that upon request and within the time frame requested that the equipment is brought back to WDC for the appropriate support and maintenance.

WDC will not provide support for any other peripheral device or Internet connection that is connected to the device that has not been expressly provided by WDC.

WDC will not provide support for any non-WDC owned and operated software loaded onto the device.

At the completion of a term in office, WDC will request the return of all issued equipment including any device and associated equipment and/or software. Elected members must ensure that these are returned within the requested timeframe. Elected members may be held liable for the replacement cost of any equipment not returned at the completion of their term in office.

Policy On Elected Members Allowances And Recovery Of Expenses			
Audience (Primary)	Internal	Business Owner (Dept)	Democracy
Policy Author		Review date	August 2019

9. APPROVAL PROCESS

Where pre-approval is required under section 6 of this policy this must be attended to prior to incurring expenses.

Claims for expenses, accompanied by the relevant receipts or GST invoices should be forwarded on the prescribed form (included as Appendix B) to elected member support.

The claim will then be checked for compliance with this policy before being forwarded to either the Mayor, Deputy, Chief Executive or Manager Democracy and Assurance for review and approval as determined by section 6 of this policy.

Where a travel booking is required via Council's preferred supplier the booking request and approval form in Appendix A must be completed and provided to elected member support.

Mileage claims should be forwarded to elected member support on the form included as Appendix C.

10. APPROVAL OF EXCEPTIONS

There may be times when expenses may be incurred that do not fall within the scope of this policy.

On these occasions, reimbursement may be approved by the Mayor or Deputy Mayor and the Chief Executive jointly. If they feel the reimbursement is particularly sensitive, they can elect to pass it to Council for approval.

Policy On Elected Members Allowances And Recovery Of Expenses			
Audience (Primary)	Internal	Business Owner (Dept)	Democracy
Policy Author		Review date	August 2019

Appendix A: booking request and approval form

To: **HelloWorld Travel**

Email: shannell.christmas@helloworld.co.nz

(Note: all questions must be completed)

Elected member name

(full Christian and surname)

_____ Phone _____ Ext _____

Email address

Reason for travel

Conference / Training / Technical Meeting / Government Dept meeting (please delete or add details)

Approval of Travel (refer

to policy for approval details)

Cost Code

_____ Natural Account 2021 – conference travel or 2391 – general business

Flight Destination

_____ **Date** _____

Preferred time of travel

_____ Please provide cheaper alternative if available ☐ yes ☐ no

Start time of event

_____ (to allow time for travel from airport to venue)

Return Flight to

Whangarei (or state if different) **Date** _____

Preferred time of travel

_____ Please provide cheaper alternative if available ☐ yes ☐ no

Air Points Number

_____ (if applicable)

Accommodation (nights)

_____ Style/location preference _____

Flight Type (domestic Only) - Highlight one option =>

Seat only

Seat and Bag

Flexitime

These descriptions mean that the package for each incurs no extra cost but note the more parts to the package the dearer it is.

Seat only

Seat plus
23 kg luggage

Seat, luggage & change
time

Shuttle required to / from airport

☐ yes ☐ no

Rental car required (NZ Rentals)

☐ yes ☐ no

If yes ☐ Manual ☐ Auto

Car hire dates required

Car type required e.g., Standard car, Mini van (please specify)

Do you wish to store your vehicle at Whangarei Airport?

Yes ☐

Vehicle Reg

No

No ☐

_____ **Type** _____

Notes and/or special needs or instructions:

Approval (refer to section 6 of this policy for required approval)

Name (print)

Signature

Date

Policy On Elected Members Allowances And Recovery Of Expenses			
Audience (Primary)	Internal	Business Owner (Dept)	Democracy
Policy Author		Review date	August 2019

Appendix B: Claim form for expenses covered by this policy

Employee No. _____

From (print name) _____ Date _____

Purpose of travel, allowance
and/or expense _____

at (city) _____ on (dates) _____

Amount (incl
GST)

Expenses Tax invoices must be provided for a claim to be accepted. An EFTPOS receipt is not a tax invoice – refer to note below	Cost Centre	Natural account	\$	c
Total \$				

I certify that the above claim is correct, reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members

Signed _____ Date _____

(Claimant)

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members.

Please arrange reimbursement. Cost Centres Signed _____ Date _____
Councillors 15001 (Manager Democracy and Assurance (where required))
Mayor 19500

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members.

Please arrange reimbursement. Cost Centres Signed _____ Date _____
Councillors 15001 (Chief Executive (where required))
Mayor 19500

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members.

Please arrange reimbursement. Cost Centres Signed _____ Date _____
Councillors 15001 (Mayor or Deputy approval (where required))
Mayor 19500

Note Tax Invoice must have:

- the words 'tax invoice' in a prominent place
- the name and GST number of the supplier
- the date the tax invoice was issued
- a description of the goods and/or services supplied
- the total amount payable for the supply
- a statement that GST is included if not stated separately.

Policy On Elected Members Allowances And Recovery Of Expenses			
Audience (Primary)	Internal	Business Owner (Dept)	Democracy
Policy Author		Review date	August 2019

Appendix C: Elected Members Mileage Claim

Elected Member Name:

Date	Event	Kms Claimed

TOTAL KMs CLAIMED _____

Note: The rate is 79 cents per km for all petrol, hybrid and electric vehicles for the first 14,000kms. Once the 14,000 km threshold for any financial year has been met the rate payable for km's claimed reduces to 30c per km for petrol or diesel vehicles, 19c per km for petrol hybrid vehicles and 9c per km for electric vehicles. Elected members will be advised when the threshold is met with the amount due being adjusted by staff if necessary.

I certify that the above claim is correct	Signed _____	Date _____
(Claimant)		
I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members Please arrange reimbursement. <u>Cost Centre 15001</u> <u>Natural Acct 2042</u>		
Signed _____		
Date _____		
(Manager Democracy and Assurance)		
I approve this claim for expenses.		
Signed _____		
Date _____		
(Chief Executive)		

2.2 Decision Making

Meeting: Council Briefing
Date of meeting: Monday 4 November 2019
Reporting officer: Kathryn Candy

1 Purpose

This briefing is to provide you with guidance on what your role is in different decision-making situations.

2 Background

Council is tasked with making decisions under various legislation. As to who makes those decisions and how depends on the nature and the context of the decision to be made.

This briefing will take you through different kinds of decisions and your role in those decision-making processes.

3 Discussion

Attached is a brief from Graeme Mathias from Thomson Wilson lawyers which summarises your decision-making role in certain situations. Mr. Mathias will talk to this paper at the briefing.

4 Attachment

Decision Making by Graeme Mathias

DECISION MAKING

Not to discuss or vote on issue where member has a pecuniary interest

1. No member shall vote or take part in discussion on any matter where the member has, directly or indirectly a pecuniary interest, other than an interest in common with the public.
2. A member will be deemed to have a pecuniary interest in a matter where
 - (a) an incorporated company is involved and the member or his/her spouse/partner has a 10 percent or more interest in that company.
 - (b) The member or their spouse/partner is the managing director or general manager of the company.
 - (c) This also applies where the interest is in a company controlling the company having the pecuniary interest in the matter.
3. Where a spouse or partner of a member is the owner of any property which is the subject of a contract with Council then that member is deemed to have a pecuniary interest.

Member not to discuss or vote on a matter where there is a risk of bias

4. In addition to disqualification where a member has or is deemed to have a pecuniary interest there are situations a member is deemed to have an interest greater than the public generally which while not a pecuniary interest could give rise to a claim of bias so as to invalidate the decision.
5. The test is whether the member when considering the issue before Council might be said to unfairly regard, or have unfairly regarded, with favour or disfavour the case of the party to the issue under consideration.
6. It is accepted that members may have strong views on certain matters such that in policy decisions holding such views would not necessarily amount to bias. If however the matter was quasi judicial e.g. resource consent, liquor licence, or a matter where Council had a discretion to exercise a statutory power, then need to show no preconceived opinion or predetermined decision.

Local Government Act 2002 Considerations

7. Under LGA 02 Council has a Significance and Engagement policy.
8. Decisionmaking is subject to statutory direction which requires Council to follow a deliberative process by which it must
 - seek to identify all reasonably practicable options
 - assess the options in terms of their advantages and disadvantages
 - take account of the relationship of Maori with their culture and traditions and ancestral lands etc if the option involves a significant decision in relation to land or a body of water of significance to Maori
 - consider community views particularly the views and preferences of those likely to be affected by or have an interest in the matter.
9. These high level principles are subject to the right for the Council to make a judgment about the degree of compliance required with these principles when making any particular decision.
10. These decisionmaking considerations do not of necessity require consultation. It is up to the members to make discretionary judgments as to the significance of the matter under consideration and the extent to which different options are to be identified the degree to which benefits and costs are to be quantified, the extent of detail and information to be considered and the extent and nature of any record to be kept.

Judicial Decisions

11. Participating in a judicial decision making requires total impartiality. Any contention of predetermination (bias) or having an interest in the matter would immediately disqualify any member from participating.

Policy Decisions

12. When members are considering decisions which are effectively policy decisions then the freedom to make determinations based on political or personal feelings is not restricted.

Administrative Decisionmaking

13. This applies to Council when letting contracts. Council is required to consider letting a wide range of commercial contracts.
14. Letting contracts requires a consideration of Council's Procurement Policy.
15. The key principles require that procedures used are in line with accepted good practice for public sector organisations, are transparent and fair with decisions being made in good faith.
16. As a public entity Council's overriding and fundamental public law obligation is always to act fairly and reasonably. While contracts involving subsidised works may require specific contractual provisions to be addressed (e.g. NZTA contracts) where contracts are tendered it is the terms of the tender which dictate how a contract can be let.
17. Where tenders are invited Council is under a duty to consider all tenders fairly. There are cases where Council having invited tenders establishes what is known as a process contract such that the tenderers can hold Council to its contract to let the contract to the tenderer who best meets the tender requirements.
18. When considering tenders members cannot bring to their consideration a conflict of interest or a predetermination of support for one particular contractor over another.
19. In general, judicial review of commercial contracts let following a procurement process will not succeed unless there is fraud, corruption, bad faith or an analogous situation. A conflict of interest or a personal interest in a tender outcome could constitute bad faith.
20. Where Council has appointed, as it usually does, a contract assessment committee their recommendation to Council should be accepted unless there is very good reason why not.
21. If the tendered prices were well above what was envisaged then a refusal of all tenders can be justified but Council would be in a potentially litigious position where the appointed referees reached a clear determination as to the party to which a contract should be let but then the members refused that recommendation and proposed to let the contract to another tenderer.