

## Elected Members' Expenses and Allowances Policy

*Adopted by resolution of Hawke's Bay Regional Council on 30 August 2023*

### Rationale

This policy sets out the rules for remuneration, reimbursement of expenses and payment of allowances for councillors.

### Policy

#### 1. Authentication of Expense Reimbursement and Allowances

The principles and processes under which Hawke's Bay Regional Council ensures that expense reimbursements and allowances are payable:

##### Principles

- 1.1. Are in line with Council policies.
- 1.2. Have a justified business purpose.
- 1.3. Are payable under clear rules communicated to all claimants.
- 1.4. Are approved by a person able to exercise independent judgement.
- 1.5. Are adequately documented.
- 1.6. Are reasonable and conservative in line with public sector norms.
- 1.7. Are, in respect of allowances, a reasonable approximation of expenses incurred on behalf of Council by the councillor.
- 1.8. Support administrative efficiency by the payment, where possible, of standard allowances based on fair and reasonable value of costs incurred.

##### Processes

- 1.9. Councillors are issued with an explanatory memorandum explaining their entitlements and how they should claim them.
- 1.10. Councillors are required to make expenditure claims for all allowances, other than agreed regular payments, which are approved by the Chief Executive prior to payment.
- 1.11. All reimbursement costs will be based on actual and reasonable expenditure with claims to be supported by appropriate invoices to substantiate the claim and will be approved as part of the Council's normal creditor payment process.

#### 2. Vehicle Provided

Where the Chairperson decides to take up the entitlement to a Council vehicle then the terms and conditions for the supply of a vehicle will be determined by the Chief Executive in line with policies set out by the Remuneration Authority as follows.

- 2.1 The maximum purchase price, in the case of a petrol or diesel vehicle, \$55,000 (including GST and any on-road costs); and in the case of an electric or a hybrid vehicle, \$68,500 (including GST and any on-road costs).

2.2 Where the motor vehicle is provided to the Chairperson for partial private use or full private use, the annual remuneration payable to Chairperson must be adjusted by the local authority, and the adjustment must take effect on and from the date of commencement of the relevant determination (in the case of a motor vehicle provided to the person before that date); or the date of provision of the motor vehicle to the person (in the case of a motor vehicle provided during the determination term).

2.2.1 If a motor vehicle is provided to the chairperson for partial private use, the amount calculated in accordance with the following formula must be deducted from the remuneration payable to that person:

$$v \times 41\% \times 10\%$$

2.2.2 If a motor vehicle is provided to the chairperson for full private use, the amount calculated in accordance with the following formula must be deducted from the remuneration payable to that person:

$$v \times 41\% \times 20\%$$

where v means the actual purchase price of the vehicle, including goods and services tax and any on-road costs.

### 3. Vehicle Mileage Allowance

A vehicle mileage allowance is payable to a councillor for travel by that councillor each day, but only if:

3.1 The councillor is not otherwise provided with a vehicle by the Council; and

3.2 The travel is:

3.2.1 In a private vehicle; and

3.2.2 On Council business; and

3.3 By the most direct route that is reasonable in the circumstances, and the maximum vehicle mileage allowance payable in any one twelve month period is the rate per kilometre as set out in the current Remuneration Authority determination.

Allowance	1 July 2023 – 30 June 2024
Mileage Allowance – petrol or diesel	\$0.95 per km
Mileage Allowance - Hybrid	\$0.95 per km
Mileage Allowance – Electric Vehicle	\$0.95 per km
Mileage Allowance – E-bike	\$0.28 per km
Mileage Distance on Higher Rate	14,000 km per year
Mileage Allowance (after higher rate distance)	\$0.34/km petrol/diesel (was \$0.31) \$0.20 /km hybrid (was \$0.18) \$0.11/km electric including e-bike (was \$0.10)

3.4 "Council business" is defined as "Official Council business whereby Councillors are invited or required to attend both informal or formal meetings or events related to Council. These do not include meetings with constituents, or the councillor's own initiatives to familiarise or better inform themselves in any way with Council business, or where a Council function is primarily entertainment".

#### 4. Travel Time Allowance

- 4.1 Council may pay a councillor a travel time allowance if the role of the councillor cannot be properly regarded as a full-time position.
- 4.2 An allowance may be paid to a councillor for each day within the period of this determination that:
- 4.2.1 The councillor is travelling on Council business and by the quickest form of transport reasonable in the circumstances; and
- 4.2.2 The travel time of the councillor exceeds one hour.
- 4.3 The allowance is payable, in relation to each day for which the councillor qualifies as follows.

Allowance	15 October 2022 – 30 June 2023
Threshold time on daily travel	8 hours in a 24 hour period
Travel Time Allowances*	\$40 per hour (after the first hour of eligible travel)

\* travel by e-bike not eligible for travel time allowance

- 4.4 In this clause, on the Council's business includes:
- 4.4.1 Travel between a councillor's residence and the Council's Head Office.

#### 5. Travel and Accommodation - (Mileage Claims – refer Section 3)

##### *Taxis and Other Transport*

- 5.1 Councillors will be reimbursed for the actual and reasonable cost of any expenditure on taxis and other transport incurred where such expenditure is considered reasonable and necessary for the attendance at conferences, seminars and business-related meetings attended at the request of Council or approved by the Chairperson.

##### *Carparks*

- 5.2 Individual carparks are allocated to each councillor for use on Council and committee meeting days only. In addition, the Chairperson has a permanent carpark and one other carpark is permanently available for any other councillor to attend Council business at the Council's Dalton Street office.

##### *Use of Rental Cars*

- 5.3 Councillors will be reimbursed for the actual and reasonable cost of any expenditure on rental cars where this is considered necessary to attend conferences, courses and business meetings attended at the request of Council or approved by the Chairperson. If rental cars are used they are to be cheaper than mileage allowance or air fare.

##### *Air Travel – Domestic*

- 5.4 All domestic travel is to be approved in advance by the Chairperson or Chief Executive and booked through the Chief Executive's Executive Assistant or the Governance Team.

##### *Air Travel – International*

- 5.5 All international travel is to be approved in advance by the Chairperson or Chief Executive and booked through the Chief Executive's Executive Assistant or the Governance Team.
- 5.6 Council will meet the cost only of economy class airfares unless specifically approved otherwise by the Chairperson or Chief Executive.
- 5.7 Stopovers for long distance flights will be at the discretion of the Chairperson or Chief Executive, and where approved, will be paid or reimbursed.

### *Airline Clubs/Airpoints/Airdollars*

- 5.8 The Chairperson is provided with a Koru Club membership on the basis of frequency of air travel. Airpoints or Airdollars earned on travel, accommodation etc, paid for by the Council are available for the private use of members.

### *Accommodation Costs While Away at Conferences, Seminars, etc*

- 5.9 Councillors will be reimbursed for the actual and reasonable cost of any expenditure incurred where this expenditure is incurred for attendance at the request of Council or approved by the Chairperson or Chief Executive. Travel is to be approved in advance and all bookings are to be made through the Chief Executive's Executive Assistant. This provision also applies to councillors who normally live at a distance from Napier who stay overnight prior to or between Council or committee meetings.

### *Meals and Sustenance, Incidental Expenses*

- 5.10 The reasonable cost of meals and sustenance will be paid or reimbursed where such expenditure is incurred for attendance at conferences, courses and business meetings attended at the request of Council or approved by the Chairperson or Chief Executive. A light lunch is generally provided to councillors on Council and committee meeting days.

### *Private Accommodation Paid for by Local Authority*

- 5.11 An allowance of \$50 per night can be claimed by councillors where they decide to stay privately when attending a conference, course or business meeting where their attendance is at the request of the Council or approved by the Chairperson or Chief Executive. Reasonable additional costs associated with staying privately can be claimed only if the prior approval of the Chairperson or Chief Executive has been received.

## **6. Entertainment and Hospitality**

- 6.1 There are no hospitality or entertainment allowances paid to councillors. Where entertainment or hospitality is required at the request of the Council, or on the approval of the Chairperson or Chief Executive, reimbursement can be claimed on an actual and reasonable basis.

## **7. Equipment and Technology Provided to Councillors**

- 7.1 The following allowances are paid to councillors to assist with the costs of equipment and technology provided by the councillor. Where Council requires members to use the following equipment the allowances below will be paid.

<b>Item</b>	<b>Annual Allowance</b>
Use of a mobile phone	\$200
Mobile phone services	\$500
Internet services	\$800
Use of a printer	\$50
<b>TOTAL</b>	<b>\$1550 pa</b>

- 7.2 Councillors will be limited to a total payment of \$1,550 per annum.
- 7.3 All equipment provided by the Council continues to be the property of the Council.
- 7.4 Councillors are given the option to join the HBRC monthly mobile phone plan. If councillors take up this option, the associated allowances (\$500) will not be paid.
- 7.5 Councillors are given the option to be provided with a cellphone on the HBRC monthly mobile phone plan. If councillors take up this option, the associated allowances (\$700) will not be paid.

## 8. Professional Development, Clubs and Associations

- 8.1. Council pays for the cost of professional development courses, seminars, etc approved by Council or the Chairperson, within a specified annual budget.
- 8.2. No expenses or allowances in respect of subscriptions to Clubs or associations are paid other than professional bodies specific to their role with Council – eg, RMLA for Hearings Committee members.

## 9. Childcare Allowance

- 9.1. Councillors are eligible to be reimbursed for childcare in circumstances where:
  - 9.1.1. the councillor is a 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), and
  - 9.1.2. the child is aged under 14 years of age; and
  - 9.1.3. the childcare is provided by a person who-
    - is not a parent of the child or a spouse, civil union partner, or de facto partner of the member; and
    - does not ordinarily reside with the member; and
    - the member provides evidence satisfactory to the local authority of the amount paid for childcare.
- 9.2. A local authority must not pay childcare allowances to a member that total more than \$6,000 per child during the determination term.

## 10. Other Expense Reimbursements and Allowances

The following are reimbursed or provided to councillors:

### *Clothing*

- 10.1. Councillors will be supplied with a rain jacket bearing the Council's logo.

### *Stationery*

- 10.2. Stationery and printer cartridges are available on request for use on Council business.

### *Councillors' Office*

- 10.3. Councillors are entitled to use the Councillors' Lounge, located next to the Council Chamber on the ground floor of the Dalton Street office. The office is equipped with desks, phone and a computer.

### *Chair's Office*

- 10.4. The Chairperson is provided with an office at the Council's offices on Dalton Street in Napier. This office includes a direct dial telephone extension, a mobile phone with associated costs and a networked computer. Full secretarial assistance is also provided.

## 11. Signature

- 11.1. In relation to the electoral tenure commencing 15 October 2022, the expense reimbursement rules and payments of allowances applicable to councillors as set out in this document were adopted by Council on 30 August 2023.
- 11.2. The approved document and any attachments will be available for public inspection in accordance with the Remuneration Authority's determination.

*Nic Peet*

HBRC Chief Executive, Nic Peet

*30 August 2023*

Date