



Mackenzie
DISTRICT COUNCIL

Mackenzie District Council

Elected Members Reimbursement of Expenses Policy

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POLICY OWNER:	GM Corporate Services
POLICY APPROVER / S:	Chief Executive Officer, Mackenzie District Council
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“Fostering Our Community”

ELECTED MEMBERS REIMBURSEMENT OF EXPENSES POLICY

Purpose	<p>The purpose of this policy is to provide a financial and behavioural framework for allowances, expenditures, and resources available to the Mackenzie District Council (MDC) Elected Members during their term of office.</p> <p>Any Council rules for the reimbursement of expenses are required to be approved by the Remuneration Authority. These rules replace those adopted by Council in the last triennium and, following Council endorsement, will be submitted to the Remuneration Authority for its formal approval.</p>
Key Points	<p>Remuneration and expense allowances for members of local authorities, including community boards is determined by the Remuneration Authority, an independent body set up under its own Act of Parliament.</p> <p>The Authority is empowered to set rules for reimbursing expenses incurred by elected members under the Local Government Act 2002. The approach taken by the Authority is to invite local authorities to draft their own rules for it to consider and, if thought fit, approve.</p>
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Review	Every two years at the anniversary date

RELATED DOCUMENTS / WEBSITES

Related Council policies and documents include:

- Sensitive Expenditure Policy
- Fraud Prevention Policy

Relevant legislation and other resources include (but are not limited to):

- Remuneration Authority Act 1977
- Local Government Act 2002 and the Local Government Act Amendment Act 2014
- <https://www.remauthority.govt.nz/>
- <https://www.lgnz.co.nz/>
- Public Records Act 2005

1. Definitions

Actual: any expenditure supported by relevant original receipt(s) attached to the Expense Reimbursement Claim Form.

Council Business: includes, but is not limited to, formal Mackenzie District Council meetings, Committee meetings, workshops, Zone Water Management Committee meetings, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community

groups, and meetings with members of the public during which an Elected Member is formally representing Mackenzie District Council.

Elected Members: The Mayor and all Councillors elected to Mackenzie District Council.

Expenses: actual, authorised, and/or justifiable expenses including rental car, air travel, taxis, meals and non-alcoholic refreshments, parking, sundry vehicle costs, alternative travel options, and other such costs, including incidental costs, directly relating to MDC business.

Reasonable: an expenditure that, by the force of circumstance or necessity, exceeds defined expenditure limits or practices hereby outlined in the present policy and is deemed justifiable by the Mayor and/or Chief Executive.

Travel: journeys made by various means on MDC business, including travel by taxi, public transport, hired vehicles, or private vehicles.

2. Policy

In summary, Elected Members are to simultaneously uphold the following principles with regard to all expenditure decisions:

- Accountability
- Integrity
- Justifiability
- Impartiality
- Moderation and Conservatism
- Transparency

This policy is to be read in conjunction with Mackenzie District Council's Sensitive Expenditure Policy.

2.1 Vehicle Milage Allowance

Councillors generally incur expense in traveling to and from Council meetings, workshops and on other official business. In addition, the Mayor will incur other travel costs in undertaking duties outside of regular meetings.

Where possible, every effort should be made to share transport as to reduce costs and emission levels. Where possible, Elected Members will use a Mackenzie District Council fleet vehicle when travelling on Council business.

In the event of a fleet vehicle being unavailable, MDC will pay an Elected Member a vehicle travel distance allowance, subject to the fulfilment of the following:

- That the Elected Member is travelling in a private vehicle, and
- That the travel is directly related to MDC business, and
- That the travel route is the most direct route, as permitted by circumstances.

The vehicle per kilometre allowance will be paid up to the maximum rate per kilometre as set out in the latest Remuneration Authority Determination (See Appendix A). Detailed claims should be submitted as regularly as practicable (preferably monthly) to the Senior Payroll Officer.

2.2 Travel Time Allowance

A travel time allowance may be paid to all Elected Members at the full allowable rate in accordance with the conditions outlined in the Remuneration Authority Determination (see Appendix A), pending the fulfilment of all the following criteria:

- That the travel is directly related to MDC business, and
- That the journey is between one and nine hours long within a 24-hour period, and
- That the travel route is the most direct route, as permitted by circumstances, and
- The first hour of the journey is not covered by the allowance, as outlined by the Remuneration Authority.

An Elected Member residing outside the Mackenzie District's boundaries, when travelling from place of residence to the district on MDC business, is eligible for a travel time allowance in respect of eligible travel time only after the member crosses the district boundary after the first hour of eligible travel within the district.

2.3 Conference and Course Attendance

The following rules will apply:

- Attendance at conferences and courses will be authorised by way of a formal Council resolution.
- Council will arrange for the enrolment, registration fees, booking of accommodation and flight reservations if applicable.
- Wherever possible, payment will be made in advance by the Council or through the use of the Council credit card at the time. This is to reduce the number of instances where elected members have to incur expense out of their own pockets and then seek reimbursement from the Council.
- If payment is made directly by the member, reimbursement claims should be supported by appropriate GST receipts.
- Where the venue is within reasonable driving distance (say less than six hours travel time), Council will endeavour to arrange for a Council vehicle to be made available. If that is not possible, mileage may be claimed, but sharing of vehicles is also encouraged in such circumstances.
- Meal expenses are reimbursable but wherever possible such expenses should be added to the accommodation bill.
- Councillors are expected to meet their own personal expenses such as liquor and mini bar expenses.
- Councillors may wish to stay privately while attending courses and conferences. In such cases, a daily allowance is available when elected members do stay privately (see Appendix A).
- Many conferences, including the annual conference of Local Government New Zealand, make provision for the attendance of spouses and partners. Such attendance has value and is encouraged. The Council position is that it will meet any spouse's/partner's registration fees for such conferences or courses. No additional accommodation cost is normally involved. Councillors will be responsible for the airfares of their spouse or partner and any additional costs of meals.

2.4 Mayoral Telephone Expenses

The Council provides the Mayor with a mobile phone and calling plan as a convenient means of communication.

2.5 Other General Expenses

Council endeavours to minimise the amount of reimbursement required by meeting most expenses directly. However, there may still be some instances where out of pocket expenses are incurred. These may include meals on the road and consumables for faxes and computers.

It is essential for all Councillors to be contactable readily by either fax or e-mail or both. Past practice has been to either supply some consumables such as fax rolls or toner or to reimburse Councillors for such expense. Work related toll calls and call minder facilities can be reimbursed. It is proposed to continue these practices.

2.6 Communications Allowance

The Council provides a laptop/tablet and multi-function printer (if required) for the Mayor and each Councillor. Laser printers are favoured because of their modest capital outlay and very low running costs. The laptops will be fitted with a basic webcam to allow informal communication between meetings. This equipment will remain the property of the Council.

The Council will also arrange for the Mayor and each Councillor to have the most appropriate form of broadband internet connection depending on the coverage in their area. Council's preference is to provide mobile broadband where possible but where adequate mobile broadband is not available Council will contribute the equivalent cost of broadband provision to elected members of mobile broadband. Council's preference is to provide 3G network coverage with a 4Gb per month cap.

Consumables relating to Council use will be reimbursed as required on a reasonable basis.

If the member uses their own equipment instead of Council providing the equipment then the Council will pay an allowance for a personal computer, laptop or tablet (including docking station) and for the use of a multifunctional or other printer (see Appendix A for details).

Where Council does not provide a mobile phone for member use, an annual allowance can be claimed for the use of the member's phone equipment. Please see Appendix A for allowance details.

2.7 Hearing Fees

Hearing fees for non-council initiated resource consent hearings will continue to form part of the Authority's determination.

Preparation time of up to the time of the duration of the hearing may be remunerated at the same rates. Please refer to Appendix A for further details.

2.8 Childcare Allowance

Elected Members may claim for annual childcare allowance, pending the fulfilment of all the following criteria:

- That an elected member is engaged on MDC business at the time of the childcare, and
- That they are the parent or the guardian of the child, and

- That the child is under 14 years of age.

The childcare must be provided by a party who:

- Is not a family member of the Elected Member, and
- Does not ordinarily reside with the Elected Member.

Elected members must provide evidence of the amount paid for childcare.

3. Application of these rules

These rules shall apply to the Mayor, Councillors, appointed members of Council Committees and to Community Board members.

4. Clarification and Breaches

4.1 Clarification

Clarification regarding this policy can be sought from the Mackenzie District Council General Manager Corporate Services.

4.2 Breaches

The Mackenzie District Council General Manager Corporate Services is responsible for monitoring compliance with this policy. Failure to comply may be considered misconduct and may result in disciplinary action.

4.3 Exceptions

The Mackenzie District Council General Manager Corporate Services (being the policy owner) will need to authorise any deviations from this policy.

5. Appendix A – Allowances 2020-2021

The following tables summarise the allowance currently in place for expense reimbursements by Mackenzie District Council.

Elected Member allowance for Travel Kilometres

Type of Vehicle	Annual Eligible Kilometres	Allowance Rate per km
Petrol or Diesel	0 to 14,000km	\$0.79c
	➤ 14,000km	\$0.30c
Hybrid petrol vehicles	0 to 14,000km	\$0.79c
	➤ 14,000km	\$0.19c
Electric vehicles	0 to 14,000km	\$0.79c
	➤ 14,000km	\$0.09c

Elected Members Allowances for Travel Time

	Travel Time Allowance
Elected Members (excluding the Mayor)	\$37.50 per hour
<p>Criteria:</p> <p>The allowance is payable only when:</p> <ol style="list-style-type: none"> travel time is between one and nine hours long within a 24 hour period, AND travel time is for travel relating to the MDC business, AND/OR travel is between an Elected Member's residence and an office of the MDC or board, <p>AND</p> <ol style="list-style-type: none"> the travel route is the quickest form of transport reasonable in the circumstances. <p>Conditions:</p> <ol style="list-style-type: none"> The first hour of the journey is not covered by the allowance. The allowance is not available for overseas travel. The Mayor is not eligible for travel time allowance. An Elected Member residing outside the Mackenzie District's boundaries, when travelling from place of residence to the district on MDC business, is eligible for a travel time allowance in respect of eligible travel time only after the member crosses the district boundary after the first hour of eligible travel within the district. 	

Elected Members Allowances for Communications

Device or service	Annual Allowance
Personal Mobile Phone	\$150.00
Personal Computer, Tablet, Laptop (plus any docking station)	\$200.00
Multi-function or other printer	\$40.00
Personal Internet Plan	\$400.00
Communications Total Allowance Cap	\$790.00

Elected Members Allowances for Child Care

	Annual Allowance per Child
Elected Members	\$6,000 maximum

Elected Members Allowances for Private Accommodation when on Council Business

	Daily Allowance
Elected Members	\$50.00

Elected Members Allowances for Non-Council initiated Hearing

	Daily Allowance
Chairperson	\$100 per hour of hearing time
Others	\$80 per hour of hearing time