

# Elected Member Allowances and Recovery of Expenses Policy – Vehicle Mileage, Travel Time, Communications and Childcare



## Governance Policy

### POLICY REFERENCES

• Sponsor:	Chief Executive
• Effective:	March 2023 – (once approved by the Remuneration Authority [RA])
• Internal review due:	Annual dependent on the RA determination
• Legal compliance:	<b>Remuneration Authority Act 1977</b> <b>Local Government Act 2002</b>
• Associated Documents/References:	Sensitive Expenditure Policy 2019 (Elected Officials) 2022 Remuneration Authority Determination

## Purpose

The purpose of this policy is to:

- Set out clearly the principles and guidelines for reimbursements.
- Ensure compliance with the Remuneration Authority rules.
- Ensure that reimbursements are assessed, authorised and reviewed consistently for all elected members.
- Include the Sensitive Expenditure Policy 2019 (Elected Member) rules.

## Policy

### Authentication of Expense Reimbursements and Allowances

- Claims for mileage must be made within six months of travel and on the “Mileage Claim Form” (**Appendix 1**)
- All other claims must be made on the “Expenses Claim Form” (**Appendix 2**).
- Reimbursements and allowances will be paid, by direct credit to the member's nominated bank account.
- Travel request forms are to be completed prior to travel for accommodation and flights unless attendance has been pre-approved through Report **22-228** Committee Structures and Appointments.
- All forms are available from the Democracy & Support Services Manager or in Tools on the Docs on Tap App.
- Expense claims and reimbursements are approved by the Democracy & Support Services Manager on behalf of the Chief Executive and full original receipts are required.
- Requests to attend a conference/seminar or workshop must be approved by both the Mayor and the Chief Executive.

## Kilometre Allowance

### 1. Vehicle Kilometre Allowance

Gisborne District Council may pay to an elected member a vehicle kilometre allowance to reimburse that member for costs incurred in respect of eligible travel by 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 Gisborne District Council and the member is travelling in a private vehicle on Gisborne District Council 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. **83** cents per kilometre or the first 14,000 kilometres of eligible travel in the determination term; and
  - ii. **31** cents per kilometre after the first 14,000 kilometres in the determination term:
- b) For a petrol hybrid vehicle, -
  - i. **83** cents per kilometre or the first 14,000 kilometres of eligible travel in the determination term; and
  - ii. **18** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term
- c) For an electric vehicle, -
  - i. **83** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
  - ii. **10** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.

All elected members have the right to claim/not claim mileage reimbursement.

There is no threshold for mileage claimed for visits to Council offices. For other travel by members no threshold distance will apply.

The vehicle mileage allowance reflects the kilometre rates, for self-employed people and employees, published by the Inland Revenue Department on its website for the 2021-2022 income year.

### 2. Guidelines

#### Eligibility:

- 2.1 Formal meetings of Council and meetings of Committees and sub-committees and other subordinate decision-making bodies and joint committees approved by Council under Clause 30, Schedule 7 of the Local Government Act 2002, to which members have been appointed.
- 2.2 Formal meetings attended by the Council nominated elected member representative (or, in their absence, approved substitute) at meetings of organisations/committees external to the Council.
- 2.3 Where approved by prior Council or Committee resolution, training sessions and workshops.
- 2.4 Specific site visits and inspections within the district prior arranged for elected members by Council or committee.

- 2.5 External meetings, conferences or seminars approved by prior Council resolution, or by the Mayor in conjunction with the Chief Executive.
- 2.6 Travel is to be calculated from an elected member's normal place of residence (which is determined to be the elected member's place of residence at the last election), to the meeting and return.

A list of examples of eligible meetings is attached **(Appendix 3)** and available on the Docs on Tap App.

**Mileage is not eligible in the following circumstances:**

- 2.7 When an elected member has attended to an issue of their own volition/interest. If there is any doubt with regard to eligibility of mileage in this type of event, he/she should seek guidance from Her Worship the Mayor prior to attending.
- 2.8 When an elected member has car pooled with another elected member. The car owner only is eligible to claim for mileage in this circumstance.
- 2.9 When the elected member has used a Council vehicle for travel.
- 2.10 Where an elected member has made more than one return trip to attend the same meeting. In this situation only one return trip may be claimed.
- 2.11 Travel that is not related to the business of Council. For example, non-Council business/personal travel interspersed with Council-related business must not be claimed.
- 2.12 If you attend a meeting at which you are not a member.
- 2.13 The Mayor is not eligible to claim mileage.

## **Travel Time Allowance**

### **Criteria**

All elected members except the Mayor are entitled to claim an allowance for time travelled within New Zealand on Gisborne District Council business, provided:

- A travel time allowance policy is adopted
- The journey is by the quickest form of transport reasonable in the circumstances
- The travel time exceeds two hours.
- The travel time does not exceed nine hours (including the first two hours which is not covered) within a 24 hour period.

A travel time allowance will be paid to elected members for Council-related travel specifically related to Council and Committee meetings.

The travel time allowance is payable only in respect of the member's travel for that day that exceeds the two hour (threshold).

The maximum amount payable is \$40 per hour above the threshold.

However, if an elected member permanently or temporarily resides outside the Gisborne District Council area and travels to the Gisborne District on Council business the member is only eligible for a travel time allowance for eligible travel time –

- (a) After the member crosses the Gisborne District Council boundary; and
- (b) After the first hour of eligible travel time within the Gisborne area.

## Travel expenses

All elected members are eligible for reimbursement of reasonable and actual costs when travelling on Council business. Guidelines are listed below:

1. **Taxis:** May be used for Council business, instead of private vehicles or public transport, for the following reasons;
  - Safety/security reasons.
  - When travelling outside Gisborne if a taxi is the most appropriate form of transport.
  - When the distance and time makes a Council or hire vehicle not the most cost effective option.
2. **Accommodation and Domestic Air:** This is arranged through the Council's preferred travel agent at the most economic cost available. For efficiency where a conference venue has accommodation facilities and conference rates are provided, this can be requested.
3. **Meals:** All meals and drinks while travelling for Council business will be reimbursed with the exception of alcohol.
4. **Car Parking:** Airport car parking costs will be reimbursed.
5. **Minibars and movies:** Purchases are at the expense of the elected member.

## Communications Allowances

**Remuneration Authority's Approach:** Elected members should not carry the costs of communicating with Council or with constituents. It is the responsibility of Gisborne District 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:** Council provides a laptop. This equipment remains the property of Gisborne District Council and shall be replaced or updated as the need arises and on a case-by-case basis.

Council will cover the costs of any consumables required.

**Member owned equipment:** Gisborne District Council will provide an annual allowance upon application via the Expense Claim Form to those members using their own devices and/or connections for the determination term as follows;

- For the use of a multi-functional or other printer – \$50;
- For the use of a mobile telephone – \$200;
- For the use of ICT consumables – up to \$200.
- For the use of home internet/broadband connection – up to \$800
- For the use of a personal telephone plan – Up to \$500, or actual cost upon production of receipts.

Council does not provide a mobile phone plan or home internet/broadband services for elected members other than the Mayor due to the high level of personal use but is willing to reimburse costs incurred via the allowances above.

## Childcare Allowance

**Remuneration Authority Approach:** On 1 July 2019, the Remuneration Authority introduced a childcare allowance for elected members who have responsibility for caring for children under 14 years. This allowance contributes towards expenses incurred by the elected member for the provision of childcare while the member is engaged on Council business.

**Eligibility:** An elected member is eligible to be paid a childcare allowance for childcare provided for a child only if:

- The member is a parent or guardian of the child, or is a 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; and
- 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.

**Allowance:** Council will reimburse eligible elected members for childcare while engaged on Council business up to \$6,000 per annum for each child under 14 years of age.

Claim form – Appendix 4

## Private Use of a Vehicle Provided to the Mayor

Council provides the Mayor with a motor vehicle for full private use. A deduction for full private use is taken from the Mayor's annual remuneration.

The Mayor is issued with a fuel card but will be required to charge the hybrid electric vehicle at home at a cost of \$5.52 GST incl. per charge (independent advice from Mitsubishi). It is usually charged three times per week, staff recommend a weekly allowance of \$16.56 is paid as part of the Mayor's remuneration package. If travelling out of the region a fob has been issued similar to a fuel card whereby the vehicle will be able to be charged at a charging station. A reconciliation will be done at the end of the financial year to ensure this allowance is appropriate.

**Maximum purchase price:** There is a maximum purchase price set by the Remuneration Authority

- A petrol or diesel vehicle - \$55,000 (including on road costs, dealer charges and GST paid)
- An electric or hybrid vehicle - \$68,500 (including on road costs, dealer charges and GST paid)

## Valuing the Private Use of a Vehicle

### Usage criteria

#### Full private use – the vehicle

- Is usually driven home and parked securely by the Mayor
- Is available for the Mayor's unrestricted personal use
- Is used for the Mayor for a mix of Council business and private use
- May also be used by other elected members or staff on Council business, with the permission of the Mayor.

**Calculate deductions:** Council must deduct from the annual remuneration the following amount.

Full private use

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

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.

### **Publication of Motor Vehicle and Remuneration Details**

Council will publish in its annual financial statements the vehicle details including its annual value as a component of the Mayor's total remuneration.

## **Application**

This policy applies to elected members only but should be read in conjunction with the Sensitive Expenditure Policy (Elected Members) 2019.

A handwritten signature in blue ink, consisting of a stylized 'N' followed by a long, sweeping horizontal line.

**Authorised by:** Nedine Thatcher Swann, Chief Executive

**Date of approval:** 20 December 2022

## Appendix 1: Mileage Claim Form

### Application Form Mileage Claim



#### Claim details

Month:

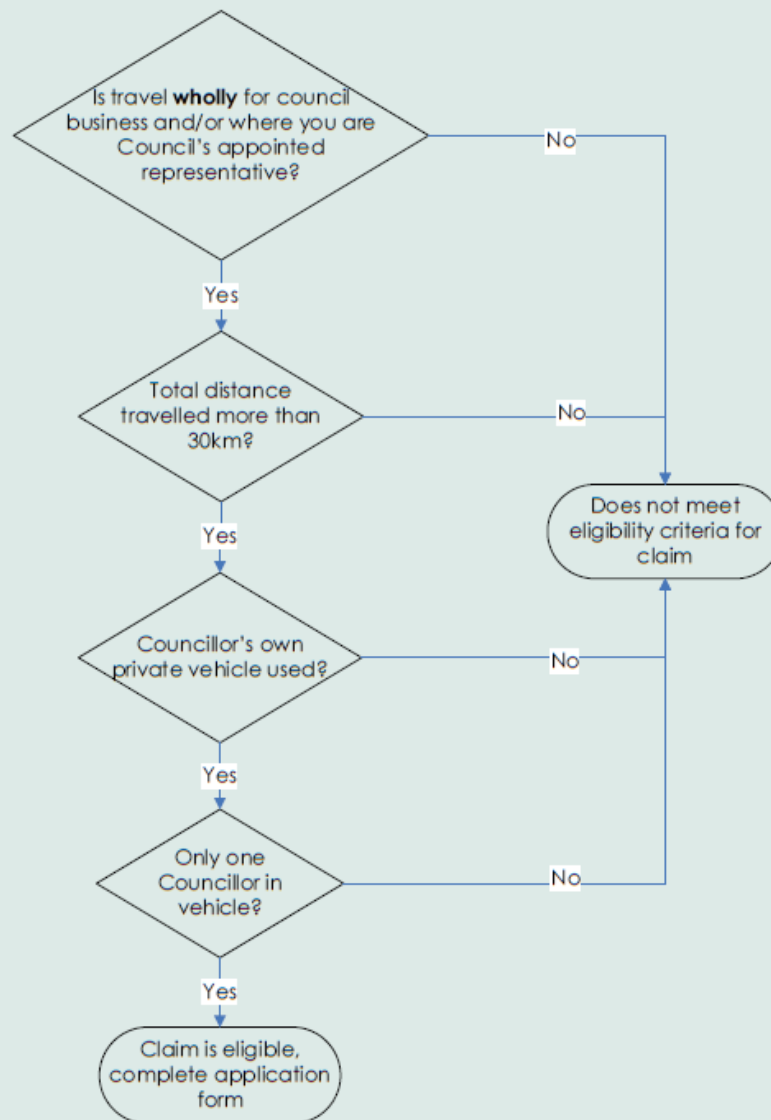
Councillor:

Date	Start	Finish	No. of kms	Reason for Trip
			TOTAL	@ \$0.83¢ per km = \$ (up to 14,000km) @ \$0.31¢ per km = \$ (after 14,000km) Travel allowance @ \$40.00 per hour = \$ (*criteria applies)

\* Threshold is 2 hours. Travelling allowance is paid after that.

Approved:   
 Nedine Thatcher Swann / Heather Kohn  
 Chief Executive / Democracy & Support Services Manager


Date:



If you are unsure the answer to any of these questions, please discuss it with the Mayor or the Democracy & Support Services Manager, or refer to the Policy

## Appendix 2: Expenses Claim Form

Claim form  
Expenses Refund



Your details

Name:

Position:

Employee No:

Team:

Department:

Attended:

At:

Dates:

From

To

Signature:

(Applicant)

Date:

Expenditure details

Note: All receipts must be attached.

	Detail	Job Cost	Cost Centre	Code	\$
Staff Training & Travel					
Accommodation				1408	
Petrol				1408	
Meals				1408	
Equivalent Airfare/Mileage				1408	
Taxis				1408	
Materials & Services				2123	
Office Expenses				3516	
Staff Care				1510	
Phone Rentals				3527	
Phone Calls				3535	
Other					

Approved:

Date

Office use only

GST:

GST exclusive:

Checked against approved Request Form:

☐ Yes ☐ No

Signature:

(HRU)

Payroll Actioned Date:

n-294092 Updated March 2013

Page 1 of 1

PO Box 747, Gisborne 4040 • 06 8672049 • 0800 653 800 • service@gdc.govt.nz • www.gdc.govt.nz

### Appendix 3: Examples of Meetings Eligible for Mileage Claim

<b>Formal meetings Council/Committees (internal)</b>	<b>Formal meetings (external)</b>
Council	Sister Cities
Committees	Hawkes Bay Regional Land Transport Committee
Special consultative meetings	Regional Sector Committee (LGNZ)
Annual Plan/Long Term Plan meetings	LGNZ Annual Conference
Creative Community Grant Funding Schemes	Zone 3 (LGNZ)
Workshops	RMA briefings
	LGNZ Professional Development and Induction

## Appendix 4: Childcare Expenses Claim Form

Application Form

## Childcare allowance claim



### Claim Details

Month:

Councillor:

[illegible]

Signature: \_\_\_\_\_  
Applicant

Date: 

Approved: \_\_\_\_\_

Date: 

Nedine Thatcher Swann | Chief Executive  
Heather Kohn | Democracy & Support Services Manager

Updated Dec: 2022

Page 1 of 1

PO Box 747, Gisborne 4040 • 06-8672049 • 0800 653 800 • [service@gdc.govt.nz](mailto:service@gdc.govt.nz) • [www.gdc.govt.nz](http://www.gdc.govt.nz)