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**REPORT 6**

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**ELECTED MEMBERS REVISED REMUNERATION 2013/2014**

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**1. Purpose of report**

The report seeks Council's approval for the proposed allocation of the pool for additional remuneration for additional responsibilities, based on the new governance structure for the 2013/2016 triennium and also approval for the revised submission to the Remuneration Authority (the Authority).

**2. Executive summary**

The Authority has informed all Councils of the revised base salaries for all elected members which came into effect after the 2013 local election. A pool has been established to cover Councillors' additional responsibilities. This pool is calculated at 1.5 times a Councillor's base salary.

The Authority received and considered all proposals for additional remuneration for additional responsibility and issued a formal determination effective from 13 October 2013. This was based on the governance structure and the allocation of additional responsibilities in place in the previous triennium.

As the Council has agreed on a new governance structure and allocation of responsibilities, it is now required to apply to the Authority for an amended determination. In the interim Council can only give effect to the base salaries for elected members outlined in the Determination.

**3. Recommendations**

Officers recommend that the Council:

1. *Receive the information.*
2. *Note that the Authority has set the annual base salary for Wellington City Council elected members as follows:*

• <i>Mayor</i>	<i>\$158,300</i>
• <i>Councillor</i>	<i>\$76,600</i>
• <i>Member, Makara/Ohariu Community Board</i>	<i>\$4,500</i>
• <i>Chair, Makara/Ohariu Community Board</i>	<i>\$9,000</i>
• <i>Member, Tawa Community Board</i>	<i>\$8,500</i>
• <i>Chair, Tawa Community Board</i>	<i>\$17,000</i>
3. *Note that the Authority has set a pool of \$114,900 (i.e. 1.5 times a councillor's base salary) to cover Councillors' additional responsibilities.*

4. *Note that the Remuneration Authority had issued a determination in response to the submission from Council on additional responsibilities for Deputy Mayor and Councillors based on the governance structure in place for the previous triennium.*
5. *Note that the Remuneration authority declined the Makara/Ohariu community board's submission for additional remuneration for additional responsibilities*
6. *Agree to make a submission to the Remuneration Authority recommending the following salaries for positions of additional payments for additional responsibility:*
  - *Deputy Mayor* *\$99,580*
  - *Chairs, Subject Matter Committees* *\$89,101*
  - *Chair, Regulatory Processes Committee and Deputy Chair Economic Growth and Arts* *\$83,943*
  - *Chair, Audit and Risk Subcommittee and Portfolio Leaders;* *\$80,490*

#### **4. Background**

The Authority issued its information on base salaries for Councils in May 2013. In a change from past practice, salaries have been fixed for all elected members, based on a job sizing determination.

The Authority has instructed councils to set aside a figure of 1.5 times a councillor's base salary for additional remuneration of Councillors in respect of additional responsibilities including the appointments of Deputy Mayor, Committee Chairs and Portfolio Leaders. The additional responsibilities pool for Wellington City Council is \$114,900 in total.

The authority has deviated from past practice by:

- Fixing a base salary for Mayor, Councillors, community board members and community board chairpersons
- Fixing a pool (of 1.5 times the base salary for a Councillor) for additional responsibilities for Councillors only
- Directing that additional remuneration for additional responsibilities for community boards is not to draw from the pool for additional responsibilities
- Fixing elected member remuneration ahead of the local elections so as to give some certainty to candidates
- Requiring submissions on additional remuneration for additional responsibilities from the pool set aside for this purpose, as well as submissions on additional responsibilities for community boards.

The Authority has stated, that if a council decides to restructure duties among members and as a result changes its committee structure subsequent to the 2013 election, it must submit a revised proposal to the Authority.

## 5. Discussion

The Remuneration Authority has stipulated:

- Maximum additional payment to a deputy mayor is 40 % of base salary
- Payments for other positions of additional responsibility including committee chairs and portfolio leaders to be between 5 and 25% of base salary
- No account should be taken of any payment elected members may receive from sitting on resource consent or other statutory hearings.

Officers have developed the following proposal designed to give effect to the new governance structure adopted by Council at the inaugural meeting of Council to consider.

The proposed determination takes cognisance of the revised allocation of responsibilities in the new governance structure together with the relevant delegations and terms of reference. The proposal seeks to allocate the pool for additional responsibilities in an equitable manner.

### Proposal

<b>Position</b>	Base salary	Addition for Additional responsibility	Proposed Total Annual Salary	% on top of base salary * = rounded
Mayor	\$158,300		\$158,300	
Deputy Mayor (Chair GFP and PRC)	\$76,600	\$22,980	\$99,580	30%
Chair, Subject Matter Committees x 4	\$76,600	\$12,501 x4= \$50,004	\$89,101	16.3*%
Chair, Regulatory Processes Committee (& Portfolio Leader); Deputy Chair Economic Growth and Arts (& Portfolio Leader)	\$76,600	\$7,343 x2= \$14,686	\$83,943	9.6*%
Chair, Audit and Risk Subcommittee; Portfolio Leaders (x6);	\$76,600	\$3,890 x7 = \$27,230	\$80,490	5.1*%
Pool for Additional Responsibilities		\$114,900		
<b>Max Pool</b>		\$114,900		

For context the remuneration for Mayor and Councillors fixed in the Authority's determination is itemised below. (The relevant extract from the Determination is attached to this report as Appendix One). Until a new Determination is provided, Council is only permitted to pay the base salary to all Councillors with back payment to be made once a revised Determination has been issued.

### **Current Determination**

<b>Position</b>	<b>Annual salary</b>
Deputy Mayor	\$99,580
Chairperson, Policy and Strategy Committee	\$91,920
Chairperson, Regulatory Processes Committee	\$88,090
Chairperson, Grants Subcommittee	\$88,090
Portfolio Leader	\$82,458

### **5.1 Community Boards**

Remuneration for additional responsibility for community boards may also be considered. Funding for this will not come from the Councillors' pool for additional responsibility. The Authority requires clear evidence of additional workload, which must be for the community board as a whole, not for individual members.

A maximum of 30 % can be added to the community board members' base salary. The Authority will take into consideration:

- The implications for overall workload, such as significant additional hours required
- Whether the additional responsibility is an ongoing one
- The extent to which the community board's members' 2013 base salary was modified upwards or downwards from its unadjusted 2013 members' salary.

Tawa and Makara/Ohariu community boards were requested to identify additional responsibilities for the board as a whole and recommend additional remuneration in respect of these responsibilities.

Tawa community board did not identify any additional responsibilities of the board as a whole which would require additional remuneration. The remuneration of the Tawa community board is as follows:

<b>Position</b>	<b>Annual salary</b>
Chairperson	\$17,000
Member Tawa Community Board	\$8,500

The Makara/Ohariu Community Board, however, prepared a detailed submission requesting a minimum additional payment of 15 % of base salary for the community board as a whole, for the identified additional work and representations that the Makara/Ohariu community board is required to take, and will continue to take in the respect of Westwind and Mill Creek wind farm developments (which are projects of significant national importance). However the Authority declined to accept this submission.

Accordingly, the Makara/Ohariu community board remuneration has been fixed by the Authority as follows:

<b>Position</b>	<b>Annual salary</b>
Chairperson	\$9,000
Member Makara/Ohariu Community Board	\$4,500

### ***5.2 Elected Member Expenses***

The Authority has confirmed the schedule of expenses for elected members, with no changes. (See Appendix 2)

### ***5.3 Consultation and Engagement***

Elected members were advised of the Authority's decision on the approach to remuneration to take into effect after the October 2013 election, in the information provided to all candidates.

### ***5.4 Financial considerations***

The base salaries for all elected members together with the pool for additional responsibility can be met from the allocation for elected member remuneration in 2013/2014 Annual Plan.

### ***5.5 Climate change impacts and considerations***

There are no climate change impacts or considerations.

### ***5.6 Long-term plan considerations***

All additional payments identified will be met from current long term budget forecasts.

## **6. Conclusion**

The Council is required to submit to the Authority its proposal on allocating the prescribed pool of 1.5% of base salary, for additional responsibilities for councillors under the revised governance structure. Should the Council identify additional responsibility for either of both community boards as a whole, then a further submission can be made to the Authority at that time.

Council is requested to approve the proposal based on the new governance structure, to become the Council submission to the Authority for a revised determination, to be back paid once approved.

Contact Officer: *Charlie Inggs, Electoral Officer and Special Projects.*

## SUPPORTING INFORMATION

### 1) Strategic fit / Strategic outcome

*This project supports Outcome 7.2.B – More actively engaged: Wellington City Council will operate an open and honest decision making process that generates confidence and trust in the democratic system*

### 2) LTP/Annual Plan reference and long term financial impact

*Relates to C534: Elections, Governance and Democratic Process*

### 3) Treaty of Waitangi considerations

*There are no Treaty of Waitangi considerations.*

### 4) Decision-making

*This is not a significant decision*

### 5) Consultation

#### a) General consultation

*Council is not required to consult on this matter.*

#### b) Consultation with Maori

*Not required.*

### 6) Legal implications

*There are no legal implications.*

### 7) Consistency with existing policy

*This report is consistent with existing Wellington City Council policy*

2013/401



## Local Government Elected Members (2013/14) (Certain Local Authorities) Determination 2013

Pursuant to clause 6 of Schedule 7 of the Local Government Act 2002 and to the Remuneration Authority Act 1977, the Remuneration Authority makes the following determination (to which is appended an explanatory memorandum).

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## Determination

- 1 Title**  
This determination is the Local Government Elected Members (2013/14) (Certain Local Authorities) Determination 2013.
- 2 Commencement**  
This determination comes into force on 13 October 2013.
- 3 Expiry**  
This determination expires on the close of 30 June 2014.

## *Interpretation*

- 4 Interpretation**  
In this determination, unless the context requires another meaning,—  
**community board** means a community board of a territorial authority  
**hearing time** has the meaning given by clause 6  
**local authority** means a regional council or a territorial authority  
**member**,—  
(a) in relation to a regional council, means—  
(i) a person who has been declared to be elected under the Local Electoral Act 2001 as a member of the regional council; and



- (ii) a person who, as the result of further election or appointment under that Act or the Local Government Act 2002, is an office holder in relation to the regional council (for example, as chairperson of the council or chairperson of a committee of the council):
- (b) in relation to a territorial authority, means—
  - (i) a person who has been declared to be elected under the Local Electoral Act 2001 as the mayor or any other member of the territorial authority; and
  - (ii) a person who, as the result of further election or appointment under that Act or the Local Government Act 2002, is an office holder in relation to the territorial authority (for example, as chairperson of a committee of the territorial authority):
- (c) in relation to a community board, means—
  - (i) a person who has been declared to be elected under the Local Electoral Act 2001 as a member of the community board; and
  - (ii) a person who, as the result of further election or appointment under that Act or the Local Government Act 2002, is an office holder in relation to the community board (for example, as chairperson of the community board)

**regional council** means each regional council named in Part 1 of Schedule 2 of the Local Government Act 2002, except the Canterbury Regional Council

**resource consent hearing** has the meaning given by clause 5

**resource consent hearing fee** means a fee payable in accordance with clause 12 for attending a resource consent hearing

**RMA** means the Resource Management Act 1991

**territorial authority** means each territorial authority named in Part 2 of Schedule 2 of the Local Government Act 2002, except the Auckland Council and the Kaipara District Council.

## **5 Meaning of resource consent hearing**

- (1) In this determination, **resource consent hearing** means—

- (a) a hearing arising from a resource consent application made under section 88 of the RMA; or
  - (b) a hearing arising from a notice of requirement given under section 168 of the RMA; or
  - (c) a pre-hearing meeting held under section 99 of the RMA in relation to a hearing referred to in paragraph (a) or (b); or
  - (d) a hearing relating to a request for a change to a district or regional plan or policy statement under clause 21 of Schedule 1 of the RMA; or
  - (e) a mediation hearing in the Environment Court as part of an appeal from a decision of a local authority; or
  - (f) a hearing on an objection against a charge fixed by a local authority under section 36 of the RMA.
- (2) To avoid doubt, in this determination, **resource consent hearing** does not mean—
- (a) a hearing of submissions as part of the process of preparation of a district or regional plan or policy statement; or
  - (b) a hearing relating to a change or variation to a district or regional plan or policy statement requested by the local authority; or
  - (c) a hearing relating to a notice of requirement initiated by the local authority; or
  - (d) any other hearing not specified in subclause (1).

## **6 Meaning of hearing time**

- (1) In this determination, **hearing time**—
- (a) means the time spent by a member hearing a matter referred to in clause 5(1); and
  - (b) includes the time spent by a member—
    - (i) at any formal committee deliberations in relation to a resource consent hearing; and
    - (ii) at a formal site inspection as part of a group inspection or as part of a pre-hearing meeting described in clause 5(1)(c); and
    - (iii) determining a notified resource consent application where a formal hearing does not take place.
- (2) In this determination, **hearing time**—

- (a) also includes the time spent by a member—
  - (i) preparing for a resource consent hearing; or
  - (ii) inspecting a site, not being a formal site inspection under subclause (1)(b)(ii); but
- (b) does not include the time referred to in paragraph (a) to the extent that it exceeds the time spent by the member on the formal deliberations referred to in subclause (1)(b)(i).

*Regional councils*

**7 Remuneration and allowances payable to members of regional councils**

- (1) The remuneration and allowances payable to the members of a regional council are—
  - (a) the remuneration set out in Schedule 1; and
  - (b) the allowances payable in accordance with clauses 9 to 11; and
  - (c) the resource consent hearing fees payable in accordance with clause 12.
- (2) Meeting fees payable as remuneration to members of a regional council in accordance with Schedule 1 are payable subject to any conditions set out in that schedule.
- (3) Despite subclause (2), meeting fees are not payable to the chairperson of a regional council.

*Territorial authorities and community boards*

**8 Remuneration and allowances payable to members of territorial authorities and community boards**

- (1) The remuneration and allowances payable to the members of a territorial authority and its community boards are—
  - (a) the remuneration set out in Schedule 2; and
  - (b) the allowances payable in accordance with clauses 9 to 11; and
  - (c) the resource consent hearing fees payable in accordance with clause 12.
- (2) Meeting fees payable as remuneration to members of a territorial authority and its community boards in accordance with

Schedule 2 are payable subject to any conditions set out in that schedule.

- (3) Despite subclause (1), a member of a territorial authority who is appointed to a community board is not entitled to be remunerated for both positions. Instead, the remuneration for the member set out in Schedule 2 includes both the salary and meeting fees payable to the member for holding both offices.
- (4) To avoid doubt, a member of a territorial authority may be remunerated for only 1 designated position.
- (5) Despite subclause (2), meeting fees are not payable to the mayor of a territorial authority.

#### *Allowances*

#### **9 Vehicle mileage allowance**

- (1) A local authority may pay a member or a member of a community board a vehicle mileage allowance for travel by the member.
- (2) An allowance may be paid to a member under subclause (1) for each day within the period of this determination that—
  - (a) the member is not provided with a vehicle by the local authority; and
  - (b) the distance travelled by the member on the day exceeds the threshold distance; and
  - (c) the member is travelling—
    - (i) in a private vehicle; and
    - (ii) on the local authority's business; and
    - (iii) by the most direct route that is reasonable in the circumstances.
- (3) The allowance is payable, in relation to each day for which the member qualifies under subclause (2),—
  - (a) in accordance with subclause (4); but
  - (b) only for the distance travelled on the day that exceeds the threshold distance.
- (4) The vehicle mileage allowance payable to a member is—
  - (a) no more than \$0.77 per kilometre for the first 3 548 kilometres for which the allowance is payable;
  - (b) no more than \$0.37 per kilometre for any distance over 3 548 kilometres for which the allowance is payable.

- (5) If a member is not a member for the whole of the period of this determination, subclause (4) applies as if the reference to 3 548 kilometres were replaced by a reference to the number of kilometres calculated in accordance with the following formula:

$$\frac{a}{b} \times 3\,548$$

where—

- a is the number of days during the period of this determination that the member held office
- b is the number of days in the period of this determination.
- (6) For the purposes of subclause (5), in calculating the number of days that a member held office, in the case of a member who did not hold office before the 2013 triennial general election, the member is to be treated as having held office in the period beginning on the day of the election and ending on the close of the day on which the result of the election was declared under section 86 of the Local Electoral Act 2001.

- (7) In this clause,—

**on the local authority's business** includes—

- (a) on the business of any community board of the local authority; and
- (b) travel between a member's residence and an office of the local authority or a community board

**threshold distance** means the shorter of the following distances:

- (a) the distance equivalent to a round trip between the member's residence and the nearest office of the local authority by the most direct route that is reasonable in the circumstances; and
- (b) 30 kilometres, if the distance equivalent to a round trip between the member's residence and the nearest office of the local authority is greater than 30 kilometres by the most direct route that is reasonable in the circumstances.

**10 Travel time allowance**

- (1) A local authority may pay a member or a member of a community board a travel time allowance if the office of the member cannot be properly regarded as a full-time position.
- (2) An allowance may be paid to a member under subclause (1) for each day within the period of this determination that—
  - (a) the member is travelling—
    - (i) on the local authority's business; and
    - (ii) by the quickest form of transport reasonable in the circumstances; and
  - (b) the travel time of the member exceeds 1 hour.
- (3) The allowance is payable, in relation to each day for which the member qualifies under subclause (2),—
  - (a) at no more than \$35 per hour; but
  - (b) only in respect of the travel for that day that exceeds 1 hour.
- (4) In this clause, **on the local authority's business** includes—
  - (a) on the business of any community board of the local authority; and
  - (b) travel between a member's residence and an office of the local authority or a community board.

**11 Communications allowance**

- (1) If a local authority determines that particular communications equipment and services are required by members to perform their functions and members choose or are required to use their own equipment and communication services, the local authority may pay an allowance for the period of this determination in accordance with this clause.
- (2) The amounts and matters in respect of which the allowance is payable are as follows:
  - (a) for the use of a personal computer, \$110:
  - (b) for the use of an electronic tablet, \$110:
  - (c) for the use of a printer (with or without a scanner), \$30:
  - (d) for use of a mobile phone, \$45:
  - (e) for an Internet connection (with or without a telephone connection), \$185:
  - (f) for council-related toll and mobile phone charges, \$295.

- (3) The total amount payable to a member under subclause (2) must not exceed \$775.
- (4) If the member is not a member for the whole of the period of this determination, subclause (2) applies as if the reference to an amount were replaced by a reference to an amount calculated in accordance with the following formula:

$$\frac{a}{b} \times c$$

where—

- a is the number of days during the period of this determination that the member held office
- b is the number of days in the period of this determination
- c is the relevant amount specified in subclause (2).
- (5) For the purposes of subclause (4), in calculating the number of days that a member held office, in the case of a member who did not hold office before the 2013 triennial general election, the member is to be treated as having held office in the period beginning on the day of the election and ending on the close of the day on which the result of the election was declared under section 86 of the Local Electoral Act 2001.
- (6) The Remuneration Authority may approve rules proposed by a local authority to meet the costs of installing and running special equipment or connections where, because of distance or restricted access, normal communications connections are not available.

### *Resource consent hearing fees*

#### **12 Fees for attending resource consent hearing**

- (1) A member of a local authority or of one of its community boards who acts as the chairperson of a resource consent hearing is entitled to be paid a fee of \$100 per hour of hearing time.
- (2) A member of a local authority or of one of its community boards who is not the chairperson of a resource consent hearing is entitled to be paid a fee of \$80 per hour of hearing time.
- (3) For any period of hearing time that is less than 1 hour, the fee must be apportioned accordingly.

- (4) Despite subclauses (1) and (2), a resource consent hearing fee for a pre-hearing meeting held under section 99 of the RMA is payable to only 1 member.
- (5) Despite subclauses (1) and (2), resource consent hearing fees are not payable to the chairperson of a regional council or the mayor of a territorial authority.

*Miscellaneous matters*

**13 Application of certain allowances if determination continues after expiry**

- (1) This clause applies if this determination continues in force after its expiry under clause 7A(4) of Schedule 7 of the Local Government Act 2002.
- (2) Clauses 9(4) and (5) and 11(2) to (4) apply—
  - (a) as if this determination—
    - (i) had come into force on the day after its expiry; and
    - (ii) were to expire on 30 June 2015; and
  - (b) with the modifications specified in subclauses (3) to (5).
- (3) Clause 9(4) and (5) applies as if the reference to 3 548 were replaced by 5 000.
- (4) Clause 11(2)(a) to (f) applies as if the references to \$110, \$110, \$30, \$45, \$185, and \$295 were replaced by \$150, \$150, \$40, \$60, \$250, and \$400 respectively.
- (5) Clause 11(3) applies as if the reference to \$775 were replaced by \$1,050.

**14 Revocation**

The Local Government Elected Members (2012/13) (Certain Local Authorities) Determination 2012 (SR 2012/270) is revoked.

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2013/401	<b>Local Government Elected Members (2013/14) (Certain Local Authorities) Determination 2013</b>	Schedule 2
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*Wanganui Rural Community Board*

<b>Office</b>	<b>Annual salary (\$)</b>
Chairperson	9,000
Member	4,500

*Wellington City Council*

<b>Office</b>	<b>Annual salary (\$)</b>
Mayor	158,300
Deputy Mayor	99,580
Chairperson, Policy and Strategy Committee	91,920
Chairperson, Regulatory Processes Committee	88,090
Chairperson, Grants Subcommittee	88,090
Portfolio Leader (9)	82,458
Councillor	76,600

**Mayoral car**

N/A

*Makara–Ohariu Community Board*

<b>Office</b>	<b>Annual salary (\$)</b>
Chairperson	9,000
Member	4,500

*Tawa Community Board*

<b>Office</b>	<b>Annual salary (\$)</b>
Chairperson	17,000
Member	8,500

*Western Bay of Plenty District Council*

<b>Office</b>	<b>Annual salary (\$)</b>
Mayor	102,230
Deputy Mayor	39,200
Committee Chairperson (2)	35,000
Councillor	28,000

Dated at Wellington this 24th day of September 2013.

A Foulkes,  
Deputy Chairman.

D Morcom,  
Member.

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### **Explanatory memorandum**

*This memorandum is not part of the determination, but is intended to indicate its general effect.*

This determination comes into force on 13 October 2013 and expires on the close of 30 June 2014.

Over the past 18 months, the Remuneration Authority (the **Authority**) has reviewed the methodology for establishing local government elected members remuneration.

It is now 10 years since the Authority was given the responsibility of fixing the remuneration of mayors of territorial and unitary authorities, the remuneration of chairs of regional authorities, the remuneration of other elected members, and the maximum allowances payable in respect of certain activities undertaken by members. Over time, the Authority became concerned that the pool arrangement established when the Authority first undertook its role was leading to a disparity of remuneration between similar positions in similarly sized councils.

The Authority has consulted widely within local government and has published and sought feedback on 2 consultation documents. The results of our consideration are included in our report “Local Authority Elected Member Remuneration Setting 2013”, which along with the consultation documents and a frequently asked questions section is accessible on the Authority’s website, <http://www.remauthority.govt.nz>

The substantial change is that the Authority has moved away from a totally pool-based approach. Under the new system, the Authority

sets a base councillor rate for each council, and councils have the ability to make submissions on the additional remuneration for those councillors undertaking additional duties. The Authority has also set the rate for community board members and chairs, again with the ability to make submissions regarding additional responsibilities.

The new approach, based on independently identified job sizing and estimated hours of work, resulted in the possibility of substantial increases and decreases in previous local government remuneration.

Aware of its responsibility of fairness to both elected members and ratepayers, and the still fragile nature of economic activity, the Authority moderated both increases and decreases to smooth the transition to the new system. The Authority will undertake a further detailed review in 2015/2016 to assess what further adjustments might be justifiable.

The determination also makes changes to the levels and conditions of allowances.

The mileage allowance increases the rate of mileage payable to 77 cents per kilometre to reflect changes in the cost of running a motor vehicle. The expectation is that the standard annual usage of 5 000 kilometres for the higher level of reimbursement is reduced to 3 548 kilometres for members elected in October and would be further prorated if members served for a shorter period.

The travel time allowance increases the rate payable for each applicable period from \$15 to \$35 per hour.

The communications allowance is amended to provide greater clarity on the components for which the allowance can be paid. Such an allowance is payable only where a member uses his or her personal equipment or service provider instead of the local authority providing these items. It is intended to leave to each council the decision as to what appropriate technologies are required to support the work of members.

The communications allowance is prorated from that which would apply for a 12-month period, and also requires payment to be further prorated if members do not serve for the full period of the determination. The determination also provides an ability for councils to approach the Authority for approval of rules under which addi-

Explanatory memorandum	<b>Local Government Elected Members (2013/14) (Certain Local Authorities) Determination 2013</b>	2013/401
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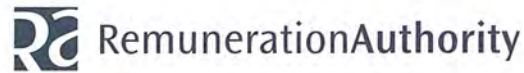
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tional assistance can be provided where unique circumstances apply for geographic reasons.

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Issued under the authority of the Legislation Act 2012.  
Date of notification in *Gazette*: 26 September 2013.

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29 October 2013

Mr Charlie Inggs  
Project/Electoral Officer  
Wellington City Council  
P O Box 2199  
WELLINGTON 6140

Dear Mr Inggs

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

The Authority has determined to accept your Council's Policy on Elected Members' Allowances and Recovery of Expenses, and a signed copy of that document is attached.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'A Foulkes'.


*for* Angela Foulkes  
Deputy Chairman



Remuneration Authority

PO Box 10084, Morrison Kent House, 105 The Terrace, Wellington, New Zealand  
Telephone 04 499 3068 Facsimile 04 499 3065 Email [info@remauthority.govt.nz](mailto:info@remauthority.govt.nz)



Signed:   
Date: 23/10/2013

**WELLINGTON CITY COUNCIL**  
**POLICY ON ELECTED MEMBERS’  
ALLOWANCES AND RECOVERY OF EXPENSES**  
**for the electoral tenure commencing  
15 October 2013<sup>1</sup>**

**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: Charlie Inggs, Electoral Officer and Special Projects  
Email: charlie.inggs@wcc.govt.nz  
Phone: (04) 801-3484 (DDI)

**DOCUMENTATION OF 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:

Document name	Reference no. (if any)	Date
Policy on Payment of Elected Members’ Allowances and Reimbursement of Expenses		October 2010
Elected Members’ Mileage Policy		October 2010
Mobile Phone Policy		October 2010
Councillor Information Technology Policy		October 2010
Councillor Stationery and Computer Consumables Policy		October 2010
Wellington City Council Travel and Accommodation Standard	S-014	August 2010
Schedule of elected member allowances and expenses		November 2010
Elected Member’s Payment Standard		August 2010

<sup>1</sup> The exact date from when this policy will apply is the day that elected members come into office after the 12 October 2013 local body elections.

## AUTHENTICATION OF 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 the monthly publication on the Council's website of all expenses for elected members over the past month.

The process for reimbursement of claims includes the following principles:

- any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy
- expense claims are approved by the Manager, Democratic Services, and full original receipts 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 do not exceed the Remuneration Authority's Determination.

The Council's internal audit work programme includes sampling expense claims and allowances paid to elected members and staff.

No allowances are paid without deduction of withholding tax.

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

## 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 and/or Chief Executive.

"Council business" includes: formal council and community board meetings, 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.

## ALLOWANCES AND EXPENSES

1. VEHICLE PROVIDED	Are any elected members provided with use of a vehicle, <b>other than</b> a vehicle provided to the Mayor or Chair and disclosed in the remuneration information provided to the Remuneration Authority?	No
2. MILEAGE ALLOWANCES	No Mileage allowances are payable. Elected members are required to claim the costs of using their private vehicles on Council related business as part of their individual taxation arrangements.	No
3. TRAVEL AND ACCOMMODATION	<p data-bbox="316 822 683 851"><b><i>Taxis and other transport</i></b></p> <p data-bbox="316 853 1201 920">Are the costs of taxis or other transport reimbursed or an allowance paid?</p> <ul data-bbox="316 922 1201 1193" style="list-style-type: none"> <li data-bbox="316 922 715 952">• No allowances are paid.</li> <li data-bbox="316 954 1201 1093">• Costs of travelling by public transport to and from Council-approved meetings and functions and for attendance at conferences or seminars approved by the Council are reimbursed (on production of receipts).</li> <li data-bbox="316 1095 1201 1193">• Taxi chits are provided when required for official Council purposes. The Council has an approved taxi service provider for local usage.</li> </ul> <p data-bbox="316 1234 459 1263"><b><i>Car Parks</i></b></p> <p data-bbox="316 1265 635 1294">Are car parks provided?</p> <ul data-bbox="316 1296 1121 1469" style="list-style-type: none"> <li data-bbox="316 1296 1121 1395">• Car parks are provided as and when required to enable elected members to carry out their governance and representation responsibilities.</li> <li data-bbox="316 1397 1106 1469">• Car licence plates must be registered with Democratic Services and security staff.</li> </ul> <p data-bbox="316 1509 587 1538"><b><i>Use of Rental Cars</i></b></p> <p data-bbox="316 1541 719 1570">Are rental cars ever provided?</p> <ul data-bbox="316 1572 1201 1671" style="list-style-type: none"> <li data-bbox="316 1572 1201 1671">• If travel to a conference out of Wellington has been approved by Council and the cost of a rental car is cheaper than paying a mileage allowance or air/bus/train fare.</li> </ul> <p data-bbox="316 1711 603 1740"><b><i>Air Travel Domestic</i></b></p> <p data-bbox="316 1742 903 1771">Summary of the rules for domestic air travel.</p> <ul data-bbox="316 1812 1182 2051" style="list-style-type: none"> <li data-bbox="316 1812 1182 1910">• For travel to conferences/seminars etc approved by Council (in advance) where travel by air is the most cost effective travel option.</li> <li data-bbox="316 1912 1169 1980">• All travel must be booked through the Democratic Services Unit.</li> <li data-bbox="316 1982 1134 2051">• Compliance in all respects with the Council's Travel and Accommodation Standard. (See Section 2).</li> </ul>	Yes
		Yes
		Yes



<p><b><i>Air Travel International</i></b>          Summary of the rules for international air travel (including economy class, business class, stopovers)</p> <ul style="list-style-type: none"> <li>• All travel must be approved in advance by the Council.</li> <li>• All travel must be booked through the Democratic Services Unit.</li> <li>• Economy class for flights up to 8 hours.</li> <li>• Business class travel approved for flights over 8 hours.</li> <li>• Compliance in all respects with the Council’s Travel and Accommodation Standard. (See Section 2).</li> </ul>	
<p><b><i>Airline Clubs/Airpoints/Airdollars</i></b>          Are subscriptions to airline clubs (such as the Koru Club) paid or reimbursed?</p> <p>Are airpoints or airdollars earned on travel, accommodation etc., paid for by the local authority available for the private use of members</p>	<p>No</p> <p>No</p>
<p><b><i>Accommodation costs whilst away at conferences, seminars</i></b>          Summary of the rules on accommodation costs.</p> <ul style="list-style-type: none"> <li>• Actual and reasonable costs reimbursed.</li> <li>• Designated hotels to be used where possible.</li> <li>• All accommodation booked through Democratic Services.</li> <li>• Compliance in all respects with the Council’s Travel and Accommodation Standard. (See Section 2).</li> </ul>	
<p><b><i>Meals and sustenance, incidental expenses</i></b>          Summary of the rules on meals, sustenance and incidental expenses incurred when travelling. (If allowances are payable instead of actual and reasonable reimbursements, state amounts and basis of calculation.)</p> <ul style="list-style-type: none"> <li>• Reimbursement of meal costs, either payment of the agreed meal allowance or reimbursement based on actual and reasonable costs.</li> <li>• No reimbursements for purchases from hotel mini-bars and charges for in-room video or cable movies.</li> <li>• No reimbursement for meals provided by others.</li> <li>• No incidental allowances are paid for travel within New Zealand.</li> <li>• Compliance in all respects with the Council’s Travel and Accommodation Standard. (See Section 2).</li> </ul>	
<p><b><i>Private accommodation paid for by local authority</i></b>          Is private accommodation (for example an apartment) provided to any member by the local authority?</p>	<p>No</p>
<p><b><i>Private accommodation provided by friends/relatives</i></b>          Are any allowances payable in respect of accommodation provided by friends/relatives when travelling on local authority business?</p> <ul style="list-style-type: none"> <li>• Elected members travelling on Council business who choose to stay privately are paid an allowance of \$60 per night, which includes the cost of accommodation, breakfast and dinner.</li> </ul>	<p>Yes</p>

<p><b>4. RESOURCE CONSENT HEARING FEES</b></p> <ul style="list-style-type: none"> <li>• A Member who acts as the chairperson of a resource consent hearing is entitled to be paid a fee of \$100 per hour of hearing time and preparation time.</li> <li>• A member who is not the chairperson of a resource consent hearing is entitled to be paid a fee of \$80 per hour of the hearing time and preparation time.</li> <li>• For any period of hearing time and preparation time that is less than 1 hour, the fee must be apportioned accordingly.</li> </ul>																		
<p><b>5. ENTERTAINMENT AND HOSPITALITY</b></p> <p>Are any hospitality or entertainment allowances payable or any expenses reimbursed? <span style="float: right;">No</span></p>																		
<p><b>6. COMMUNICATIONS AND TECHNOLOGY</b></p> <p><i>Equipment and technology provided to elected member</i></p> <p>Is equipment and technology provided to elected members for use at home on council business?</p> <table border="0" style="width: 100%;"> <tr> <td>PC or Laptop</td> <td style="text-align: right;">Yes**</td> </tr> <tr> <td>Fax</td> <td style="text-align: right;">No</td> </tr> <tr> <td>Printer</td> <td style="text-align: right;">Yes**</td> </tr> <tr> <td>Broadband/Internet Connection</td> <td style="text-align: right;">No</td> </tr> <tr> <td>Second landline to house</td> <td style="text-align: right;">No</td> </tr> <tr> <td>Consumables and stationery</td> <td style="text-align: right;">Yes**</td> </tr> <tr> <td>Mobile Phone rental and call charges</td> <td style="text-align: right;">No</td> </tr> <tr> <td>Mobile Phone hardware</td> <td style="text-align: right;">Yes**</td> </tr> <tr> <td>Other equipment or technology</td> <td style="text-align: right;">No</td> </tr> </table> <p><b>** Not provided to community board members</b></p> <p>Are any restrictions placed on private use of any of the above? <span style="float: right;">Yes</span></p> <ul style="list-style-type: none"> <li>• Equipment not to be used for electioneering purposes and some restrictions on using Council supplied computer equipment (for security and cost reasons)</li> </ul> <p><b>Home telephone rental costs and telephone calls (including mobiles)</b></p> <p>Are telephone rental costs reimbursed in whole or part? <span style="float: right;">No</span></p> <p>Are telephone call expenses reimbursed in whole or part? <span style="float: right;">Yes</span></p> <ul style="list-style-type: none"> <li>• See section next below on the payment of communication allowances.</li> <li>• The Mayor has a landline and a mobile phone provided and paid for by the Council. The costs of any personal calls are reimbursed to the Council.</li> </ul>	PC or Laptop	Yes**	Fax	No	Printer	Yes**	Broadband/Internet Connection	No	Second landline to house	No	Consumables and stationery	Yes**	Mobile Phone rental and call charges	No	Mobile Phone hardware	Yes**	Other equipment or technology	No
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<p><b>Allowances paid in relation to communication and/or technology provided by elected member.</b></p> <p>Are any allowances paid in relation to communications and/or technology provided by the member relating to council business?</p> <ul style="list-style-type: none"> <li>• The Councillors are provided with a cell phone and a computer for Council related work.</li> <li>• The members are offered two allowance options: <ul style="list-style-type: none"> <li>○ members are entitled to a total annual allowance of \$360 (i.e. \$30 per month); or</li> <li>○ members are entitled to claim reimbursement for any Council related communication costs, over and above any normal costs, (e.g. Council related telephone calls and the cost of any increased internet usage), payable on receipt of appropriate documentation and in accordance with the Council's expense rules.</li> </ul> </li> </ul> <p><i>(Note: Does not apply to community board members)</i></p>	<p>Yes</p>
<p><b>7. PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS</b></p> <p>Are any expenses reimbursed or allowances paid in respect of members' attendance at professional development courses, conferences and seminars?</p> <ul style="list-style-type: none"> <li>• No allowances are paid.</li> <li>• Course registration fees are paid subject to the approval of the Manager, Democratic Services.</li> </ul> <p>Are any expenses reimbursed or allowances paid in respect of subscriptions to clubs or associations?</p>	<p>Yes</p> <p>No</p>
<p><b>8. OTHER EXPENSE REIMBURSEMENTS AND ALLOWANCES</b></p> <p>Are any other expense reimbursements made or allowances paid?</p> <ul style="list-style-type: none"> <li>• A home-based technology allowance of \$45 per month is paid to the chairs of the Tawa and Makara/Ohariu community boards to reimburse the incumbents of those positions a portion of the communication costs (i.e. business related telephone calls, internet connection, fax machines etc) incurred by them in carrying out their duties.</li> </ul>	<p>Yes</p>
<p><b>9. TAXATION OF ALLOWANCES</b></p> <p>Are any allowances (as distinct from reimbursements of actual business expenses) paid without deduction of withholding tax?</p>	<p>No</p>