
REPORT 2
(1215/11/IM and 1215/10/01)

ELECTED MEMBERS' REMUNERATION FOR BALANCE OF 2010/2011 FINANCIAL YEAR

1. Purpose of Report

To submit for the Council's consideration and approval, a proposal for the payment of salaries, expenses and allowances to elected members of the Wellington City Council and the Tawa and Makara/Ohariu Community Boards for the balance of the 2010/2011 financial year (i.e. for the period 16 October 2010 to 30 June 2011).

2. Executive Summary

The Remuneration Authority set the remuneration pool for the Council's elected members, including its community board members, at \$1,383,479 for the 2010/2011 financial year.

Its initial determination, based on the Council's recommendations for the distribution of the indicative pool, was issued in June 2010. That determination covered the period from 1 July 2010 and up to and including the date on which the results of the 2010 local authority elections were officially declared (i.e. 15 October 2010). The Mayor's salary for that period was fixed at \$153,660 p.a. which left \$1,229,819 available for distribution amongst the remaining elected members.

The Authority was aware that a number of councils could have changes in the number of elected members and/or changes affecting community boards as a result of representation reviews that had been undertaken since the 2007 election. It therefore decided to follow the practice it adopted in both 2004 and 2007 which was to issue an interim determination to fix salaries for all elected members (excluding the Mayor) to cover the period immediately after the "new" councils come into office and until their governance structures were determined.

It was agreed that the interim salary levels would be set at a conservative level to allow the in-coming council to review committee structures, allocation of responsibilities and adjust to any increased or reduced level of membership.

This interim determination was promulgated in August 2010 and will continue in place until the final determination is issued by the Remuneration Authority.

The final determination, for the balance of the 2010/2011 financial year, will be issued once the Authority has considered the Council's recommendations for the allocation of the pool based on its new governance structure.

Once approved by the Remuneration Authority the adjustments will be backdated to the date at which those committees were established and councillors were appointed to such positions. Any increase in the base remuneration for councillors or community board members will also be backdated to the date of their taking up office.

Based on the rules and principles set by the Remuneration Authority and the governance structure adopted by the Council at its meeting on 11 November 2010, the Council is now required to submit to the Remuneration Authority for approval its recommended allocation of the pool amongst the Council's elected members (including its community board members but excluding the Mayor whose salary is set by the Remuneration Authority) for the balance of the 2010/2011 financial year.

The Remuneration Authority's approval must be given before the Council can implement its proposed remuneration structure.

The Council is also required to review its existing rules and policies for the reimbursement of expenses and the payment of allowances to its elected members and to submit those rules and policies to the Remuneration Authority for approval.

The Remuneration Authority has asked for the Council's recommendations to be forwarded to them by 31 January 2011 to enable the early issue of the final determination for the 2010/2011 financial year.

3. Recommendations

It is recommended that the Council:

1. *Receive the information.*
2. *Agree that the salary only model be confirmed as the basis of remuneration for the elected members of the Wellington City Council for the balance of the 2010/2011 financial year.*
3. *Note that the remuneration framework requires all community board members be paid an annual salary (i.e. there is no provision for the payment of meeting fees to community board members).*
4. *Agree that the following salaries be paid to the elected members of the Wellington City Council and the Tawa and Makara/Ohariu community boards for the balance of the 2010/2011 financial year and that the Council's proposal be referred to the Remuneration Authority for its approval:*

<i>Mayor</i>	<i>\$159,100 pa</i>
<i>Deputy Mayor</i>	<i>\$96,000 pa</i>
<i>Chair, Strategy and Policy Committee and Portfolio Leader</i>	<i>\$89,000 pa</i>
<i>Chair, Grants Subcommittee and Portfolio Leader</i>	<i>\$83,975 pa</i>
<i>Chair, Regulatory Processes Committee</i>	<i>\$83,975 pa</i>
<i>Portfolio Leader (x 9)</i>	<i>\$79,125 pa</i>
<i>Councillor (x 1)</i>	<i>\$64,955 pa</i>
<i>Chair, Tawa Community Board</i>	<i>\$20,404 pa</i>
<i>Elected Member (x 5)</i>	<i>\$8,160 pa</i>
<i>Chair, Makara/Ohariu Community Board</i>	<i>\$13,060 pa</i>
<i>Elected Member (x 5)</i>	<i>\$5,105 pa</i>

Note:

- (a) *The Mayor's salary is set by the Remuneration Authority.*
- (b) *The level of community board members' remuneration met from the pool has been retained at 100%.*

5. *Note that the Remuneration Authority must be advised of any dissent expressed by members of the Council or its community boards in relation to the Council's final remuneration proposal.*
6. *Note that once a final determination has been made the Remuneration Authority will approve any back dating of salaries it considers appropriate.*
7. *Note that the Mayor has indicated that she will not require a dedicated council vehicle in undertaking her official mayoral duties and that the Remuneration Authority will be advised of this decision.*
8. *Agree that the rules and policies for the reimbursement of expenses and the payment of allowances to elected members for the 2010/2011 financial year, as contained in Appendix Two of this report, are confirmed and that they be submitted to the Remuneration Authority for its approval.*
9. *Note that once the size of the remuneration pool for the 2011/2012 financial year has been set by the Remuneration Authority the Council will be required to submit to the Authority's approval a remuneration proposal for the 2011/2012 financial year. This will occur early next year.*

4. Background

The Remuneration Authority is responsible for setting the salaries of elected members and in November 2009, determined that the remuneration pool for the elected members of the Wellington City Council and its two community boards would remain at \$1,383,479 for the 2010/2011 financial year.

It also determined that the Mayor's salary for that period be fixed at \$153,660 p.a. which left \$1,229,819 available for allocation amongst the remaining elected members.

In June 2010, the Remuneration Authority agreed that the salaries payable to the Council's elected members for the period 1 July 2010 up to "the day on which the result of the 2010 election for the local authority or community board in question is declared" would be as follows:

Mayor	\$153,660 pa
Deputy Mayor	\$107,615 pa
Chair, Strategy and Policy Committee and Portfolio Leader	\$88,409 pa
Portfolio Leader (x 4)	\$87,510 pa
Chair, Regulatory Processes Committee	\$84,345 pa
Chair, Grants Subcommittee	\$74,220 pa
Associate Portfolio Leader (x 2)	\$74,220 pa
Councillor (x 4)	\$69,240 pa
Chair, Tawa Community Board	\$20,405 pa
Member, Tawa Community Board (x 5)	\$8,160 pa
Chair, Makara/Ohariu Community Board	\$13,060 pa
Member, Makara/Ohariu Community Board (x 5)	\$5,105 pa

Because of the need for Councils to determine their new governance structures, the Authority also proposed (as they had done in 2004 and 2007) that there would be a period immediately following the election during which time all elected members would be paid a lower basic salary only. It was agreed that the salary levels would be set at a conservative level to allow incoming councils to review committee structures, allocate new responsibilities and adjust to any increased or reduced level of membership. This interim period was to apply from the "day on which successful candidates came into office" and remain in force until a final determination for 2010/2011 is issued by the Remuneration Authority.

The Remuneration Authority confirmed in August 2010 that the salaries payable to the elected members of the Wellington City Council and the Tawa and Makara/Ohariu Community Boards during the "interim period" would be as follows:

Mayor	\$159,100 pa
All Councillors	\$55,400 pa
Member, Tawa Community Board	\$7,100 pa
Member, Makara/Ohariu Community Board	\$4,500 pa

The Remuneration Authority has taken the opportunity to undertake a major review of mayoral remuneration, implementation of which commenced with the release of the Authority's determination for the post election period. Further work on the remuneration of councils and community boards has also commenced and will be consulted on over coming months, for possible implementation in the 2011/2012 year.

Other than the Mayor, the Authority has not made any changes to the basis for calculating the indicative pool as it applies to members of the Council. The indicative pool represents a calculation based on the 2008 population and the annual account figures supplied by the Council and no percentage increase has been applied to the pool.

The Council, at its meeting on 11 November 2010, agreed its governance structure for the new triennium and is now required to decide how the 2010/2011 pool is to be allocated for the balance of the year and to forward its agreed proposal to the Remuneration Authority for consideration and approval. The approval of the Remuneration Authority is required before the Council can implement its proposed remuneration rates.

A summary of the remuneration framework and the Remuneration Authority's rules and principles that the Council is required to comply with is attached as **Appendix One**.

The ongoing payment of allowances and the reimbursement of expenses to elected members also require the approval of the Remuneration Authority on an annual basis.

The Council is therefore required to submit for the Remuneration Authority's approval a copy of its proposed rules for the recovery of expenses by elected members. A copy of the proposed rules is attached as **Appendix Three**.

5. Discussion

5.1 Decisions to be made

In preparing its proposal the Council is required to make the following decisions:

- To decide whether the remuneration pool should be allocated on a salary only basis or whether it should be a mix of salary and meeting fees.
- To agree appropriate levels/rates for the different positions/roles on the Council and its community boards and, using that information, develop a proposal for the allocation of the money within the remuneration pool.
- To confirm or reconfirm the basis on which any vehicle is supplied for the Mayor's use
- To review and agree the rules and policies for the reimbursement of elected members' expenses and allowances.

5.2 Basis of remuneration for elected members

In deciding the method of remunerating its Councillors, the Council has the option of paying its members on a salary only basis or a combination of salary and meeting fees. It has chosen the salary only option in the past, with the agreement of the Remuneration Authority.

The salary only model has worked satisfactorily both insofar as elected members and Council officers are concerned. The advantage of this option is that elected members receive a regular income and know what their annual salary is going to be. No requests have been received from elected members to change back to the salary/meeting fee option which applied prior to 1 July 2003.

The rules set by the Remuneration Authority require all community board members to be paid an annual salary (i.e. there is no provision for the payment of meeting fees to community board members).

It is therefore recommended that the Council adopt the salary only model as its basis of remuneration for the balance of the 2010/2011 financial year.

The Council is required to meet at least 50% of the total salary costs for elected community board members from the remuneration pool. The rules do allow a greater percentage of those costs to be met from the pool and the Council has currently, with the approval of the Remuneration Authority, agreed to meet 100% of the salary costs for community board members from within the pool.

The decision to meet a higher percentage of these salary costs (above the required 50%) from within the pool results in a "saving" to the city's ratepayers.

5.3 Distribution of the pool

The Remuneration Authority is responsible for setting the size of the governance pool for all local authorities and each Council is required to recommend to the Authority how they would like the pool allocated among its elected members.

The size of the pool is both the maximum and minimum amount that can be spent on elected members' remuneration and apart from in 2008, when exceptional circumstances prevailed, it has been mandatory for councils to allocate the full pool. The Council has no control over the size of the pool and is required to pay its members at the rates finally determined by the Remuneration Authority. If, as a result of the Remuneration Authority's determination, individual members feel that they are being "overpaid" they can donate the appropriate amount to a charity of their choice.

5.4 Distribution proposal

Following the adoption of the new governance structure at its meeting on 11 November 2010 the following remuneration proposal, for the balance of the 2010/2011 financial year, has been developed:

Mayor	\$159,100 pa
Deputy Mayor, Chair Performance Review Committee, Audit and Risk Management Subcommittee and Portfolio Leader	\$96,000 pa
Chair, Strategy and Policy Committee and Portfolio Leader	\$89,000pa
Chair, Regulatory Processes Committee	\$83,975 pa
Chair, Grants Subcommittee and Portfolio Leader	\$83,975 pa

Portfolio Leader (x 9)	\$79,125 pa
Councillor	\$64,955 pa
Chair, Tawa Community Board	\$20,404 pa
Elected Member (x 5)	\$8,160 pa
Chair, Makara/Ohariu Community Board	\$13,060 pa
Elected Member (x 5)	\$5,105 pa

In developing this proposal it needs to be noted that there has been no increase to the size of the pool available for allocation to that which was available prior to the election (i.e. it has remained at \$1,229,819).

The proposal has been developed based on the following principles:

- the payment to be on a salary only basis for all positions
- the assumption that all Councillors work 40 hours a week on Council related business
- the new committee structure with the following levels of responsibility

Mayor (salary determined by the Remuneration Authority)

Level 1	Deputy Mayor/Chair, Performance Review Committee, Chair, Audit and Risk Management Subcommittee and Portfolio Leader
Level 2	Chair, Strategy and Policy Committee and Portfolio Leader
Level 3	Chair, Regulatory Processes Committee Chair, Grants Subcommittee and Portfolio Leader
Level 4	Portfolio Leader (x 9)
Level 5	Councillor

(From previous discussions with the Remuneration Authority, it is clear that the Authority expect to see different pay rates for different positions, reflecting the size and complexity of these positions).

- a closing of the salary gap between portfolio leaders and Councillors with no chair or portfolio responsibilities (from 79% gap prior to the election to a proposed 82%)
- all Portfolio Leaders to be remunerated at the same level
- no change to the level of remuneration paid to community board members prior to the election
- the level of community board members' remuneration met from the pool has been retained at 100%

5.5 Payment of back pay

There will inevitably be a delay between the Council agreeing its remuneration proposal and the receipt of final approval from the Remuneration Authority.

The adjustments finally approved by the Authority for specified positions (such as committee chairs and portfolio leaders) will be backdated to the date at which those committees were established and councillors were appointed to such positions. Any increase in the base remuneration for councillors or community board members will also be backdated to the date of their taking up office.

5.6 Community Board decisions

No changes are being proposed to the salary levels that were payable to Board members prior to the election in October and, consistent with the approach taken at the commencement of the last triennium, these recommendations have not been referred to the respective community boards for their consideration.

The proposed allocation of the 2011/2012 remuneration pool will be referred to both the Tawa and Makara/Ohariu Community Boards for their information and approval prior to the matter being considered by Council early next year.

5.7 Mayoral car

The Mayor has indicated that she will not require a dedicated council vehicle in undertaking her official mayoral duties.

This decision, which will be notified to the Remuneration Authority, will have no effect on the level of remuneration received by the Mayor.

5.8 Reimbursement of expenses

In addition to determining the remuneration of elected members, the Remuneration Authority is required to approve the rules for the payment of allowances and expenses to all elected members.

The Remuneration Authority has, in conjunction with its major review of mayoral remuneration, carried out a review of the transport and communication allowances payable to elected members. One of the focuses of this review has been to ensure that the expenses and reimbursement rules of individual local authorities do not provide elected members with private financial benefits, more in the nature of income, than the reimbursement of actual costs incurred for legitimate business reasons.

The results of this review were promulgated in August 2010 as part of its interim determination for the post election period (from 16 October to 30 June 2011).

The relevant clauses from the determination are set out in **Appendix Two** of this report.

A communications allowance may be paid towards the expenses of a mobile telephone, computer equipment or an internet connection. The allowance has been set at a maximum of \$750 per annum by the Remuneration Authority, to be paid to meet any extra costs, over and above normal ownership costs, that may be incurred by an elected member because of their duties as an elected member.

However, clause 15(3) states that no communications allowance is payable to the extent that the Council provides the elected member with any of the following:

- (a) the use of a mobile telephone;
- (b) the use of a computer or ancillary equipment;
- (c) an Internet connection.

The reasoning behind the Remuneration Authority's decision is that most people have a home computer with internet connection, a home telephone and a mobile phone and would have these even if they were not elected members.

The Council's current rules, which were approved by the Remuneration Authority in June 2010, provide for the payment of allowances totalling a maximum of \$1,620 per annum to its elected members (i.e. up to a maximum of \$50 per month for broadband and up to \$85 per month for cell phone costs).

However, because the Council supplies its Councillors with both a mobile phone and computer hardware and supplies, the payment of the above allowances will need to cease in order to comply with clauses 15(2) and 15(3) of the Remuneration Authority's latest determination. Any allowance needs to be limited to the portion of mobile rental, use (i.e. calls) and internet connection over and above that used for personal use.

In carrying out their elected member duties, it is acknowledged that Councillors will incur some additional costs over and above the normal costs for the use of this equipment. It is therefore recommended that members are offered two options:

- members are entitled to a total allowance, up to 30 June 2011, of \$240 (i.e. \$30 per month); or
- 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, under the reimbursement of expenses provisions of the Determination.

Subject to the changes outlined above, it is recommended that the Council confirms its current rules and policies for the payment of allowances and the reimbursement of expenses to its elected members as outlined in the attached application form (**Appendix Three**) and that the application be referred to the Remuneration Authority for its approval.

5.9 Unanimity of the Council's decision

In submitting its proposal the Council is required to notify the Remuneration Authority of:

- (i) details of any dissent at Council, and
- (ii) details of any dissent from either of its community boards.

A community board also has the ability to express any opposing views it might have on the Council's final proposal direct to the Remuneration Authority.

If the Council's recommendations are unanimous and reasonable it is unlikely that the Commission will withhold its approval. It does however have the power to amend any proposal if the level of dissatisfaction is high or if the proposal is considered unreasonable.

6. Conclusion

Now that the Council has agreed its governance structure for the 2010/2011 triennium its recommended allocation of the remuneration pool for the balance of the 2010/2011 financial year must be submitted to the Remuneration Authority for approval.

The Council's rules and policies for the reimbursement of expenses and the payment of allowances to its elected members must also be approved by the Remuneration Authority.

The Remuneration Authority has asked if the Council's proposal for the distribution of the indicative pool and its rules and policies for the reimbursement of expenses and the payment of allowances can be forwarded to them by 31 January 2011.

The new remuneration rates and the payment of any back pay cannot be implemented until the Remuneration Authority's approval is received.

Contact Officer: *Ross Bly, Special Projects and Electoral Officer.*

Supporting information

1) Strategic Fit/Strategic Outcome

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

2) LTCCP/Annual Plan reference and long term financial impact

The project relates to C534: Elections, Governance and Democratic Process.

3) Treaty of Waitangi implications

There are no Treaty of Waitangi implications.

4) Decision-making

This is not a significant decision.

5) Consultation

No public consultation or consultation with Maori is required.

6) Legal implications

There are no legal implications.

7) Consistency with existing policy

This report is consistent with existing Wellington City Council policy

APPENDIX ONE

SUMMARY OF THE REMUNERATION FRAMEWORK - ITS RULES AND PRINCIPLES

Basis of the remuneration system

- The Remuneration Authority approves a “remuneration pool” for each local authority, the size of which is determined on a number of consistent and transparent criteria (set by the Authority).
- The factors used by the Remuneration Authority to determine the size of the remuneration pool (for a territorial authority) are:
 - Population (50% weighting)
 - Operational expenditure (33% weighting)
 - Gross assets controlled (17% weighting)
 - Rate of population change
- The Mayor’s salary is set by the Remuneration Authority and must be fully met from the pool.
- The balance of the pool is available for distribution to the Council’s remaining elected members, including any community board members.
- There are two options available to Council for distributing the pool
 - A salary only model, or
 - A salary: meeting fee split (e.g. 75% salary and 25% meeting fee).
- All community board members must be paid a salary (i.e. the payment of meeting fees is not an option).
- The Remuneration Authority must issue at least one determination every three years. In normal circumstances an annual determination will be made.

General principles which apply

- The size of the remuneration pool is both the maximum and minimum amount payable to elected members.
- All proposals must be approved by the Remuneration Authority prior to implementation.
- The maximum number of hours any individual member may be paid for is 40 hours per week (i.e. 2080 hours per annum).

- Different salary and meeting fee weightings, to those originally provided by the Remuneration Authority, may be proposed.
- Any divergent views of Councillors and community board members, in respect of the Council's proposed allocation of the pool, must accompany the proposal submitted for the Remuneration Authority's approval.
- The Remuneration Authority is under no obligation to approve any scheme and will look at each proposal on its merits. Any proposal that is likely to result in distortions in behaviour or lack of fairness in relativity will not be approved by the Authority.
- The Remuneration Authority will not determine how the remuneration for elected members should be funded.
- Any amendment to a determination requires the prior approval of the Remuneration Authority.
- All Councils are required to publish in their Annual Report:
 - the remuneration scheme adopted (i.e. salary or salary/meeting fee split)
 - the actual payments received by each elected member, and
 - the total amount of expenses reimbursed to each elected member.

What remuneration is included in the pool?

- The Mayor's salary, as determined by the Remuneration Authority and the remuneration for the remaining elected members of Council.
- The total salary costs for any appointed community board members.
- At least half the salary costs for elected community board members. Up to 100% of these remuneration costs can be met from the pool.

What remuneration is excluded from the pool?

- Meeting fees paid to elected members in respect of resource consent hearings.

Note: A member who acts as the chairperson of a resource consent hearing is entitled to a fee of \$85 per hour of hearing time. A member who is not the chairperson of the resource consent hearing is entitled to a fee of \$68 per hour of hearing time. For any period of hearing time that is less than one hour, the fee must be apportioned accordingly. These fees have been set by the Remuneration Authority.

- The costs incurred in the reimbursement of expenses (i.e. mileage allowances, cell phones etc).

- The payment of Trustees/Directors fees to those elected members appointed to the Council's Council Controlled Organisations.

Mileage allowances

Where an elected member needs to use their own vehicle on council business, they can be paid a mileage allowance of up to 70 cents per kilometre.

A local authority may also pay a travel time allowance if the travel is on council business and is by the quickest form of transport available in the circumstances. However, a member who can properly be regarded as being a full-time member is not entitled to be paid a travel time allowance.

Note

The Council at its meeting on 26 March 2009 resolved to discontinue the payment of a mileage allowance to its elected members.

APPENDIX TWO

Extract of Relevant Sections from the Local Government Elected Members (2010/11) (Except Auckland) Determination 2010

Expenses

10 Expenses may be reimbursed in accordance with expenses rules

A local authority may reimburse expenses in accordance with the expenses rules to the following persons:

- (a) its members; and
- (b) in the case of a district council or a city council, the members of community boards situated within its district.

11 Public may inspect expenses rules

A local authority must, during the hours that its offices are open to the public, allow members of the public to inspect its expenses rules.

Allowances

12 Allowances may be paid in accordance with rules approved by Remuneration Authority

A local authority may pay allowances in accordance with rules approved by the Remuneration Authority to the following persons:

- (a) its members; and
- (b) in the case of a district council or a city council, the members of community boards situated within its district.

13 Vehicle mileage allowance

(1) A local authority may, in accordance with this clause, pay a vehicle mileage allowance to the following persons if they are not otherwise provided with a vehicle by the local authority:

- (a) its members; and
- (b) in the case of a district council or a city council, the members of community boards situated within its district.

(2) The local authority may pay a vehicle mileage allowance for travel by the member, including travel to and from the member's residence, if the member—

- (a) travels—

- (i) in his or her own vehicle; and
 - (ii) by the most direct route reasonable in the circumstances; and
 - (b) is on the local authority's business.
- (3) The maximum amount of the allowance is \$0.70 per kilometre.

14 Travel time allowance

- (1) A local authority may, in accordance with this clause, pay a travel time allowance to the following persons:
- (a) its members; and
 - (b) in the case of a district council or a city council, the members of community boards situated within its district.
- (2) The local authority may pay a travel time allowance for travel by the member, including travel to and from the member's residence, if the travel is:
- (a) on the local authority's business; and
 - (b) by the quickest form of transport reasonable in the circumstances.
- (3) The maximum amount of the allowance is \$15.00 per hour.
- (4) However, a member who can properly be regarded as being a full-time member is not entitled to be paid a travel time allowance.

15 Communications allowance

- (1) A local authority may, in accordance with this clause, pay a communications allowance to its members, and, in the case of a district council or a city council, the members of community boards situated within its district, towards the expenses of all or any of the following:
- (a) a mobile telephone;
 - (b) a computer or ancillary equipment;
 - (c) an Internet connection.
- (2) The maximum amount of the allowance is \$500 for the period beginning with the commencement of this determination and ending on the close of 30 June 2011.
- (3) A communications allowance is not payable to the extent that the local authority provides the member with any of the following:
- (a) the use of a mobile telephone;
 - (b) the use of a computer or ancillary equipment;
 - (c) an Internet connection.

APPENDIX THREE

**Remuneration Authority
P O Box 10 084
Wellington 6143**

Date: November 2010

**APPLICATION FOR APPROVAL OF EXPENSE RULES (INCLUDING
REIMBURSING ALLOWANCES) APPLICABLE TO ELECTED MEMBERS OF THE
WELLINGTON CITY COUNCIL FOR PERIOD 16 OCTOBER 2010 TO 30 JUNE
2011**

SECTION 1 - NAME OF LOCAL AUTHORITY

Wellington City Council

Contact person for enquiries:

Name: Ross Bly

Designation: Special Projects and
Electoral Officer

Email: ross.bly@wcc.govt.nz

Telephone: (04) 801-3484 (DDI)

SECTION 2 - DOCUMENTATION OF POLICIES

List the local authority's policy documents which 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		November 2007
Elected Members' Mileage Policy		November 2007
Mobile Phone Policy		November 2007
Councillor Information Technology Policy		November 2007
Councillor Stationery and Computer Consumables Policy		November 2007
Wellington City Council Travel and Accommodation Standard	S-014	July 2008
Schedule of elected member allowances and expenses		March 2010

SECTION 3 - AUTHENTICATION OF EXPENSE REIMBURSEMENTS AND ALLOWANCES

Summarise the principles and processes under which the local authority ensures that expense reimbursements and allowances payable in lieu of expense reimbursements,—

- are in line with council policies
- have a justified business purpose
- are payable under clear rules communicated to all claimants
- have senior management oversight
- are approved by a person able to exercise independent judgement
- are adequately documented
- are reasonable and conservative in line with public sector norms
- are, in respect of allowances, a reasonable approximation of expenses incurred on behalf of the local authority by the elected member
- are subject to internal audit oversight.
 - Comprehensive policy documents, copies of which have been included in our previous applications to the Remuneration Authority for approval of allowances and reimbursement of work related expenses for elected members.
 - The basis of reimbursement is “actual and reasonable” expense only.
 - In the case of one-off expenditure such as travel to conferences, the prior approval of Council must be given.
 - Full documentation of the policies is included in the Elected Members Handbook, copies of which are issued to all members.
 - Periodic reviews of all expense reimbursements are undertaken by the City Secretary on a random basis.
 - All expense claims are approved by the City Secretary. Full receipts are required.
 - Policies set by the Council reflect public sector norms of reasonableness and conservatism.
 - Allowances have been calculated as carefully as possible to approximate expenditure to which allowances relate.
 - Work undertaken by Risk Assurance includes random checks on expense claims and allowances paid to elected members.

SECTION 4 - VEHICLE PROVIDED

Are any elected members provided with use of a vehicle, **other than** a vehicle provided to the Mayor or Chair and disclosed in the remuneration information provided to the Remuneration Authority? No

SECTION 5 - 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.

SECTION 6 - TRAVEL AND ACCOMMODATION

Taxis and other transport

Are the costs of taxis or other transport reimbursed or an allowance paid? Yes

- No allowances are paid.
- 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).
- Taxi chits are provided when required for official Council purposes. The Council has an approved taxi service provider for local usage.

Car parks

Are car parks provided? Yes

- Car parks are provided as and when required to enable elected members to carry out their governance and representation responsibilities.
- Car licence plates must be registered with Democratic Services and security staff.

Use of rental cars

Are rental cars ever provided? Yes

- 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.

Air Travel Domestic

Summarise the rules for domestic air travel.

- For travel to conferences/seminars etc approved by Council (in advance) where travel by air is the most cost effective travel option.

- All travel must be booked through the Democratic Services Unit.
- Compliance in all respects with the Council's Travel and Accommodation Standard. (See Section 2).

Air Travel International

Summarise the rules for international air travel (including economy class, business class, stopovers)

- All travel must be approved in advance by the Council.
- All travel must be booked through the Democratic Services Unit.
- Economy class for flights up to 8 hours.
- Business class travel approved for flights over 8 hours.
- Compliance in all respects with the Council's Travel and Accommodation Standard. (See Section 2).

Airline Clubs/Airpoints/Airdollars

Are subscriptions to airline clubs (such as the Koru Club) paid or reimbursed?

No

Are airpoints or airdollars earned on travel, accommodation etc., paid for by the local authority available for the private use of members

No

Accommodation costs whilst away at conferences, seminars, etc.

Summarise the rules on accommodation costs.

- Actual and reasonable costs reimbursed.
- Designated hotels to be used where possible.
- All accommodation booked through Democratic Services.
- Compliance in all respects with the Council's Travel and Accommodation Standard. (See Section 2).

Meals and sustenance, incidental expenses

Summarise 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.)

- Reimbursement of meal costs, either payment of the agreed meal allowance or reimbursement based on actual and reasonable costs.
- No reimbursements for purchases from hotel mini-bars and charges for in-room video or cable movies.
- No reimbursement for meals provided by others.

- No incidental allowances are paid for travel within New Zealand.
- Compliance in all respects with the Council's Travel and Accommodation Standard. (See Section 2).

Private accommodation paid for by local authority

Is private accommodation (for example an apartment) provided to any member by the local authority? No

Private accommodation provided by friends/relatives

Are any allowances payable in respect of accommodation provided by friends/relatives when travelling on local authority business? Yes

- 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.

SECTION 7 - ENTERTAINMENT AND HOSPITALITY

Are any hospitality or entertainment allowances payable or any expenses reimbursed? No

SECTION 8 - COMMUNICATIONS AND TECHNOLOGY

Equipment and technology provided to elected member

Is equipment and technology provided to elected members for use at home on council business?

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

**** Not provided to community board members**

Are any restrictions placed on private use of any of the above? Yes

- Equipment not to be used for electioneering purposes and some restrictions on using Council supplied computer equipment (for security and cost reasons)

Home telephone rental costs and telephone calls (including mobiles)

Are telephone rental costs reimbursed in whole or part? No

Are telephone call expenses reimbursed in whole or part? Yes

- See section next below on the payment of communication allowances.
- 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.

Allowances paid in relation to communication and/or technology provided by elected member

Are any allowances paid in relation to communications and/or technology provided by the member relating to council business? No

- The Councillors are provided with a cell phone and a computer for Council related work.
- The members are offered two options:
 - members are entitled to a total allowance, up to 30 June 2011, of \$240 (i.e. \$30 per month); or
 - 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. (Note: Does not apply to community board members).

SECTION 9 - PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS

Are any expenses reimbursed or allowances paid in respect of members' attendance at professional development courses, conferences and seminars? Yes

- No allowances are paid.
- Course registration fees are paid subject to the approval of the City Secretary.

Are any expenses reimbursed or allowances paid in respect of subscriptions to clubs or associations? No

SECTION 10 - OTHER EXPENSE REIMBURSEMENTS AND ALLOWANCES

Are any other expense reimbursements made or allowances paid? Yes

- A home-based technology reimbursement of up to \$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.
- The policy provides for the payment of \$45 per month less withholding tax (if the original invoice is retained by the elected member) or the reimbursement of the actual costs up to a maximum of \$45 per month (if the original invoice is supplied to the Council).

SECTION 11 - TAXATION OF ALLOWANCES

Are any allowances (as distinct from reimbursements of actual business expenses) paid without deduction of withholding tax? Yes

- In those circumstances outlined in Section 10.

SECTION 12 - SIGNATURE

I seek approval from the Remuneration Authority, in relation to the period 16 October 2010 to 30 June 2011, of the expense reimbursement rules and payments of allowances applicable to elected members as set out in this document.

The approved document and any attachments will be available for public inspection in accordance with the Remuneration Authority's determination.

_____	City Secretary	-11-2010
Signature	Designation	Date