

SOUTH WAIRARAPA DISTRICT COUNCIL

8 AUGUST 2018

AGENDA ITEM C13

LOCAL GOVERNMENT MEMBERS DETERMINATION 2018

Purpose of Report

To inform Councillors of the recommended changes to the remuneration of elected members as a result of the Remuneration Authority Determination 2018.

Recommendations

Officers recommend that the Council:

1. *Receive the Local Government Members Determination 2018 Report.*
2. *Confirm the proposed hourly rate for hearing fees for SWDC hearings for the Chair as \$78.00 per hour and \$50.00 per hour for other members.*
3. *Confirm they will **not** adopt the RA's option of elected members claiming a travel allowance of \$37.50 per hour after the first hour of travel on Council business for the 2018/19 financial year.*
4. *Confirm they will adopt the RA's proposed payments for travel reimbursement of 0.73 cents per km on council business and the communication allowance \$1,190.00 per year per Councillor for the 2018/19 financial year (both unchanged from the previous financial year).*

1. Executive Summary

On 26 July 2018, the Remuneration Authority (RA) released the Local Government Members (2018/19) (Local Authorities) Determination 2018.

This determination provides for changes to the remuneration and reimbursement of elected members and takes effect from 1 July 2018.

There are a number of recommended changes to elected member remuneration which we wish to draw to the attention of Councillors and decide whether or not South Wairarapa District Council will adopt the recommended practice or agree to a different, less costly approach.

If the above recommendations are adopted, no changes are required to the Remuneration – Elected Members Policy A300.

2. Background

Each year, the Remuneration Authority releases a Local Government Members (Local Authorities) Determination. This determination provides for changes to the remuneration and reimbursement of elected members for duties performed on behalf of territorial authorities throughout New Zealand. The new provisions of the determination take effect from 1 July each year.

TA's can agree to accept the determination in its entirety or agree adjusted remuneration or reimbursement as long as it is not higher than provided for in the determination.

3. Discussion

3.1 Options

Items to note in the 2018/19 Determination are summarised below:

3.1.1. Hearing fees

Hearing Fees for district and regional plans and regional policy statements are to be treated in the same way as resource consent hearings for remuneration purposes. This is as a result of Councillors now needing to be accredited hearings commissioners. Rather than a flat fee, the RA has allowed for fees of up to \$100.00 per hour for chairs and up to \$80.00 per hour for other members. RA are keen for Councils to decide what is locally relevant.

For the 2017/18 financial year, Council agreed a maximum of \$78.00 per hour for Chairs of all hearings and \$50.00 per hour for other members of the hearings committee.

The Mayor is not entitled to be remunerated for both positions, so may not claim hearing fees.

Councillors need to confirm the decision to continue to pay hearing fees at this rate for the 2018/19 year.

3.1.2. Travel time allowance

Travel time allowance - the determination allows for a travel time allowance for elected members travelling on Council business after the first hour of travel. The allowance Council may pay for travel time over an hour is \$37.50 per hour.

To date SWDC has not paid this allowance to elected members on the basis that most elected members would be able to attend meetings within the Wairarapa with a return travel time of less than an hour.

We acknowledge that some members attend meetings in Wellington and Hutt Valley and these meetings do involve more than one hour of travel.

In the past, Mayors were not entitled to claim the travel time allowance. From 1 July 2017 the RA have allowed for Mayors to claim the travel time allowance.

We estimate starting to pay the travel time allowance to elected members could cost SWDC a further \$ 10,000 per annum. This additional cost has not been budgeted in the 2018/19 annual plan.

Council decided not to pay this allowance for the 2017/18 year, and need to decide if they wish to start paying the travel time allowance to elected members for the 2018/19 year.

3.1.3. Vehicle mileage

Last year, the RA recommended the removal of the 30km rule for Councillors claiming reimbursement of travel on Council related business. Previously all claims were for the distance over 30km (return) from the Councillors home to the location of the meeting.

Prior to 1 July 2017, 30km was considered the "proxy" for a normal commuting distance for any worker. This proposed change is to reduce administration costs and also align treatment of Councillor reimbursements more closely with self-employed contractors rather than employees.

Council agreed to accept this change for vehicle reimbursements from the 2017/18 financial year.

The reimbursement rate per km remains at 73 cents per km for the first 10,000 km in any year from 1 July 2018. For electric vehicles the rate is 81 cents per km for the first 10,000 km p.a.

This rate is slightly lower with the Inland Revenue Department (IRD) published mileage rate for self-employed people, which was changed to 76 cents per km from 23 July 2018.

3.1.4. Communications Allowance

There has been no change to the recommended Communications Allowance for the 2018/19 year. The determination allows that a communication allowance may be paid to elected members for using their own communications and technology equipment on Council business.

Elected members may be paid the following communication allowances for the 2018/19 financial year:

- \$200 for the use of one laptop/computer or tablet
- \$40 for the use of a printer/fax or scanner
- \$150 for the use of a mobile phone
- \$400 for the use of personal internet
- \$400 for the use of personal mobile phone or reimbursement of actual costs of phone calls made on behalf of the local authority.

This equates to a total communication allowance of \$1,190.00 pa per elected member which is consistent with the 2017/18 year.

Contact Officer: Jennie Mitchell, Group Manager Corporate Support
Reviewed By: Paul Crimp, CEO