Governance Remuneration, Allowances and Expenses Policy

Approved by:	Timaru District Council
Group:	Governance and Finance
Owner:	Chief Executive
Date adopted:	21 July 2026 The policy becomes effective the day after the date of adoption, unless otherwise specified. Certain aspects of the policy and Appendix will apply retrospectively, if necessary, where required by law and the current Remuneration Authority Determination
Review:	Every 3 years aligned to the local authority election cycle. The Appendix will be updated separately to reflect Remuneration Authority determinations This Policy does not cease to have effect because it is due for review, or being reviewed
Consultation:	Not required
Policy Type	Internal Operational

Policy Purpose

1. The purpose of this policy is to:

   (i) Enhance Timaru District Council's (Council's) Connected Citizens community wellbeing outcome, which seeks to provide advocacy and leadership through advocating and encouraging citizens to contribute ideas and perspectives in an easily accessible way.

   (ii) To establish the framework for the remuneration and payment of allowances and expenses to elected members, Council-appointed directors and all external members appointed to Council committees and subcommittees.

   (iii) To ensure that remuneration, allowances, and expenses are paid to elected members in accordance with the Remuneration Authority determination and rules for the appropriate year, and any discretion that Council may apply to this.

Scope

2. This policy covers:

   (i) The remuneration, allowances, and expenses for all elected members, including Community Board members.

   (ii) The remuneration of directors to all Council organisations, particularly Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs).

   (iii) The remuneration of all external appointments to Council committees and subcommittees.

3. The remuneration provisions of this policy excludes appointments made to committees whose remuneration is set by other legislative bodies outside of the Remuneration Authority, or paid contractually by Council, or paid by an external employer or agency of the appointee.

Definitions

4. Allowances: financial and non-financial in-kind entitlements available to elected members and external appointments for the purpose of conducting Council business. Elected member allowances are set by the Remuneration Authority under the Local Government Act 2002 (LGA) and are at the discretion of Council to determine the amount up to the set limit. Current allowances include:

   (i) Vehicle kilometre allowance;

   (ii) Travel time allowance;

   (iii) Information and Communications Technology (ICT) allowance;

   (iv) Childcare allowance; and

   (v) Home security allowance.

5. Committee/Subcommittee: those established by the Mayor pursuant to section 41A (3) of the Local Government Act 2002 (LGA) or by Council in accordance with schedule 7, clause 30 of the LGA. This includes any other subordinate decision-making body appointed under this clause regardless of the name of the body.

6. Company: has the same meaning as that of the Companies Act 1993 and means a company registered under Part 2 of the Companies Act 1993 or a company reregistered under that Act in accordance with the Companies Reregistration Act 1993. Generally, a company means a body corporate.

7. Council: Timaru District Council.

8. Council Business: includes formal Council and Community Board Meetings, Committee and Subcommittee Meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, and meetings with members of the public. It does not include events where the primary focus is on social activity.

9. Council Organisation (CO): as per section 6 of the LGA, this is any organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described) to its governing or decision-making body. This is a wide-ranging definition, covering a large number of bodies, including Council-Controlled Organisations and Council-Controlled Trading Organisations.

10. Council Controlled Organisation (CCO): any organisation in which one or more local authorities control 50% or more of the voting rights or have the right to appoint 50% or more of the directors (as per section 6 of the LGA).

11. Council Controlled Trading Organisation (CCTO): any council controlled organisation that operates a trading undertaking for the purpose of making a profit (as per s6 of the LGA).

12. Director: includes trustees, managers, or office holders (however described in that organisation) at the director or board level as per section 6(3)(b) of the LGA.

13. Elected Member: the Mayor, Timaru District Councillors and Community Board Members.

14. External Members: individuals appointed to committees or subcommittees of Timaru District Council who are not elected members or employees of Timaru District Council.

15. Family member (in relation to the childcare allowance) is a spouse, civil union partner, or de facto partner of the elected member, or a relative, that is, another person connected with the elected member within two degrees of a relationship, whether by blood relationship or by adoption.Hearing: has the same meaning as the Local Government Elected Members Determination for the year to which it applies, and includes resource consent hearings; pre-hearing meetings held under section 99 of the Resource Management Act 1991 (RMA); a hearing as part of the process of the preparation, change, variation, or review of a district plan; a mediation hearing in the Environment Court as part of an appeal process and a hearing on an objection against a charge fixed by a local authority under section 36 of the RMA.

16. Organisation: includes a company, body corporate or other incorporated entity partnership including a limited liability partnership, trust, arrangement for the sharing of profits, union of interest, cooperation, joint venture, or other similar arrangement.

17. Reasonable: deemed appropriate by the approving authority because, in the circumstances, it is in accordance with this policy and its principles.

18. Remuneration Authority (the Authority): an independent body established by the Remuneration Authority Act 1977, with responsibilities under the LGA to determine remuneration and expense/allowance rules for local authority members.

19. Remuneration: financial and non-financial in-kind consideration paid to elected members, directors appointed to a CO or external members of a Council committee or subcommittee in accordance with this policy.

Policy Statements

Legislative context

20. The LGA provides for the Authority to determine the remuneration, allowances, and rules for reimbursing expenses incurred by all local authority elected members. In some instances an allowance value stated by the Authority is mandatory. For other allowances, the Authority sets a maximum value; Council has the discretion to adopt a lower value through this policy.

21. Prior to each local body term, the Authority undertakes a review of the settings for elected member remuneration and allowances, in consultation with councils. Following this review, an annual determination is then issued prior to 30 June each year, which may result in adjustments to the level of remuneration received.[1]

22. The schedule of remuneration included in Appendix A is updated annually to reflect the latest determination issued by the Authority.

23. Council approved-allowances must be included in this policy and published on Council's website.

[1] These adjustments may take account of data collected by the Public Service Commission on public and private sector remuneration movements, any major legislative changes in the role of elected members and feedback from the sector.

24. Actual and reasonable expenses incurred by elected members while undertaking Council business will be reimbursed in line with this policy.

25. Section 57 of the LGA requires Council to adopt a policy that establishes an objective and transparent process for the remuneration of directors of a CO.

Remuneration – Elected Members

26. The Mayor shall receive remuneration as determined by the Remuneration Authority, outlined in Appendix A.

27. The Remuneration Authority sets a Governance Pool which is the total amount that can be paid in remuneration to Councillors, and includes a minimum allowable remuneration for each Councillor. Beyond the minimum allowable remuneration for each Councillor, Council must make a formal decision as to how the Governance Pool is allocated according to roles and additional responsibilities held by Councillors. The allocation of the Governance Pool is outlined in Appendix A, as recommended by Council and approved by the Remuneration Authority.

28. Community Board Chairs and Members receive remuneration as determined by the Remuneration Authority, outlined in Appendix A.

29. Elected Councillors who are appointed as Chairs or members on the Community Board receive no additional remuneration.

30. Elected Members who sit on resource management or district plan hearings receive fees as determined by the Remuneration Authority, outlined in Appendix A.

31. Elected Members will not receive any additional remuneration for their roles on Council Committees, Subcommittees, other Committees or other working groups established by Council or its Committees, beyond that outlined in Appendix A.

32. Elected Members appointed Directors of COs may receive remuneration in accordance with Council's External Governance Appointments Policy.

Remuneration – All other Council appointments

33. Council recognises that remuneration of directors to COs or appointed external members to committees or subcommittees is a matter of public interest.

34. Remuneration, and changes to remuneration, will require Council approval. Remuneration will be based on the nature of the organisation, committee, or subcommittee, the market rates for comparable positions, the need to attract and retain appropriately qualified people, the organisation's objectives, and any specific process for determining remuneration specified in the organisation's constitution.

35. As outlined in the External Governance Appointments Policy, all external member appointments to Council Committees and COs are made by Council (or a suitably delegated body). The terms for the appointments with remuneration and allowances will be determined by Council resolution on advice from the Chief Executive, and will be valid for the period for which they are set. The exception to this is if the remuneration and allowances for the relevant position are specified in the Governance Remuneration, Allowances and Expenses Policy (this policy), or otherwise set by legislation.

36. For appointments made by Council to organisations that are not COs, the Council will not normally pay remuneration to its appointees except as specified in this Policy.

37. External appointments to committees or subcommittees are also eligible for the vehicle-kilometreallowance while they are acting in their official capacity as a member of the committee or subcommittee within a triennium.

38. All remuneration and vehicle-kilometreallowances are to be approved by the Chief Executive and must be claimed in a timely manner using the approved claims process as advised by the Executive Support Manager or equivalent role.

Allowances and expenses principles

39. The payment of allowances and expenses to elected members by Timaru District Council is made in accordance with the Auditor General's guidance for a principles-based approach for sensitive expenditure.

40. The principles are that expenditure decisions:

    (i) Have a justifiable business purpose;

    (ii) Preserve impartiality;

    (iii) Are made with integrity;

    (iv) Are moderate and conservative, having regard to the circumstances;

    (v) Are made transparently; and

    (vi) Be made with proper authority.

41. These principles are to be applied together in all cases of sensitive expenditure and all carry the same importance.

42. These principles must be applied regardless of the existence of any budgetary provision.

43. Any allowances and expenses not currently included in this policy will be subject, in the first instance, to the criteria set and guidance provided by the relevant annual determination made by the Authority. In the absence of a specific rule for a given situation, the elected member is expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation.

44. Significantly inappropriate use of allowances and expenses may be grounds for a Code of Conduct complaint under Council's Elected Member Code of Conduct. This is not automatic; the Code of Conduct contains information about the materiality threshold required to be met in such instances.

Allowances – Vehicle-KilometreAllowance

45. Elected members can claim a vehicle-kilometreallowance to reimburse costs incurred for eligible travel.

46. Elected member travel is eligible for this allowance if:

    (i) The elected member is not provided with a vehicle by Council;

    (ii) The elected member is travelling in a private vehicle;

    (iii) The elected member is travelling on Council business; and

    (iv) The most direct route that is reasonable is taken.

47. If a member of a local authority travels from a place where the member permanently or temporarily resides that is outside the local authority area to the local authority area on local authority business, the member is only eligible for a vehicle-kilometre allowance for eligible travel after the member crosses the boundary of the local authority area. This may only be exempted by the Authority.

48. The vehicle-kilometre allowance is set by the Authority and is reviewed annually. The allowance is based on the rate set by the Inland Revenue Department.

49. Any vehicle-kilometre allowance claimed should meet the reasonable additional cost the elected member incurs by using their own vehicle for travel required on Council business. This includes travel from home to the place of work or other venues required for local authority business.

50. The current (as at the date of adoption) vehicle-kilometreallowance rate is set out in Appendix A.

51. All claims for the vehicle-kilometreallowance are to be approved by the Chief Executive.

Allowances – Travel Time Allowance

52. Elected members can claim a travel time allowance for travelling within New Zealand on Council business.

53. The Mayor is not eligible for this allowance because the role is deemed to be full time and remuneration set accordingly.

54. Council will pay the travel time allowance set by the Authority for all eligible travel claimed by an elected member.

55. An elected members travel is eligible for the travel time allowance if:

    (i) The elected member is travelling on Council business;

    (ii) The elected member uses the quickest form of transport that is reasonable; and

    (iii) The most direct route that is reasonable is taken.

56. Elected members cannot claim for the first hour of eligible travel.

57. The maximum total amount of travel time allowance that an elected member may be paid for eligible travel in a 24-hour period is eight hours.

58. An elected member who resides outside the district boundary but whom travels to the district for Council business is only eligible for a travel time allowance after the first hour of eligible travel time within the Timaru District boundaries.

59. The current (as at the date of adoption) travel time allowance rate is set out in Appendix A.

60. All claims for travel time allowance are to be approved by the Chief Executive.

Allowances – ICT

61. The Mayor, Councillors and community board members are provided with a laptop, tablet or similar device for Council business. Reasonable personal use is permitted. Full technical support is provided where related to Council business.

62. The Mayor is provided with a mobile phone and full payment of all expenses related to the use of the mobile phone. Personal use is permitted.

63. Council will pay annual allowances in recognition of elected members' use of personal communication equipment and services for Council business as set out in Appendix A.

Allowances – Childcare

64. Elected members can claim a childcare allowance as a contribution towards expenses incurred by the member for childcare while the member is engaged on Council business.

65. Elected members are eligible for the allowance if:

    (i) they are engaged on local authority business at the time of the childcare;

    (ii) they are the parent or guardian of the child, or usually has day-to-day responsibility for the care of the child; and

    (iii) the child is under 14 years of age.

66. The childcare must be provided by someone who:

    (i) is not a family member of the elected member; and

    (ii) does not ordinarily reside with the elected member.

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

68. Eligible elected members can claim up to $7,500 per year for each child if the childcare meets the criteria above.

69. All claims for childcare allowance are to be approved by the Chief Executive.

Allowances – Home security system

70. Elected members may be eligible for Council to reimburse costs for the installation or upgrading of a home security system for their primary residence.

71. The Mayor and Chief Executive need to be satisfied that a household security system and its specifications are justified and appropriate given the specific circumstances of the elected member in question, in order for reimbursements to be approved.

72. The decision of the Mayor and Chief Executive will be informed by a security threat and risk assessment undertaken by an individual or organisation – either internal to Council or external – that they deem to be suitably qualified.

73. The maximum reimbursement costs are:

    (i) $4,500 for the purchasing, installation or upgrading of any system/s; and

    (ii) $1,000 in any financial year for ongoing costs such as monitoring, repairs and call-outs.

74. In general, reimbursements claimed for the purchasing, installing or upgrading of systems are intended as a one-off payment per eligible elected member. However at the discretion of the Mayor and Chief Executive it may be paid multiple times to the same elected member, for example if they move to a new primary residence.

75. In exceptional circumstances, the Remuneration Authority may approve the reimbursement of additional expenses in excess of these limits. Any such request must be based on the recommendation(s) of a security threat and risk assessment.

76. The Mayor and Chief Executive will review existing approvals for ongoing costs once per triennium, to determine whether each remains justified and appropriate in their respective circumstances.

77. Former elected members may retain ownership of the household security system, but will not be reimbursed for any ongoing costs that date from after they vacate office.

Expenses

78. From time to time elected members incur expenses in their undertaking of Council business which need to be reimbursed. This reimbursement applies only to elected members personally, and only while they are acting in their official capacity as elected members.

79. In incurring and claiming these expenses, elected members will abide by the principles outlined earlier in this policy.

80. Any expenses to be reimbursed will be on an actual and reasonable basis.

81. An expense reimbursement form is to be completed and valid GST invoices and receipts attached for all expense claims.

82. All expense claims are to be returned to the Executive Support Manager or equivalent role at least quarterly.

83. All expense claims submitted by elected members (except the Mayor) are to be reviewed and – where deemed valid, reasonable and in accordance with this policy – approved by the Chief Executive.

84. All expense claims submitted by the Mayor are to be jointly reviewed and – where deemed valid, reasonable and in accordance with this policy – approved by the Chief Executive and the Chairperson of the Audit and Risk Committee.

85. Expense claims should only be approved where budget provision exists, or where the expense can be approved within financial delegations for unbudgeted expenditure.

86. Where any expense is deemed to be inappropriate and is not approved, the amount(s) will not be reimbursed. If payment for the item(s) in question has already been met by Council, the elected member will be required to reimburse the unapproved amount(s).

87. All expense reimbursements will be made via Council's payroll or Accounts Payable systems.

Transport

88. Elected members should utilise the most appropriate and cost-effective transport option available in the circumstances.

89. Taxis or ride sharing services may be used for Council business for safety or security reasons, or where it is deemed the most appropriate form of transport.

90. Taxis or ride sharing services should not be used where significant travel distances mean that use of a taxi is not the most cost effective option.

91. Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.

92. Costs paid for directly by an elected member for unanticipated travel will be considered for reimbursement in accordance with this poilcy upon presentation of actual receipts.

Air Travel

93. Council will pay domestic air travel for those elected members approved to attend seminars, conferences, training and development courses, or for any other Council business approved by the Mayor and Chief Executive.

94. All air travel arrangements for elected members are to be made by the appropriate Council officer in accordance with the principles of this policy.

95. International air travel by an elected member is by way of economy class. The approval of Council is required for exceptions.

96. Council, where appropriate, will pay travel insurance for all domestic and international travel.

Mayor's Allowances

97. The Mayor will receive an annual membership to the Air New Zealand Koru Club, recognising the frequent travel requirements of the role.

98. The Mayor will be provided with a vehicle that will also be available for full private use. Any vehicle purchase will adhere to limits set in the current Remuneration Authority determination. A pro rata deduction will be made from the Mayor's salary to reflect the full use of the vehicle. The Mayor will not be able to claim the vehicle kilometre-allowance.

Car Parking

99. The Mayor and Councillors will receive the use of an assigned car park at the Timaru Civic Offices for use on Council business.

Accommodation

100. Council will pay accommodation costs for those elected members approved to attend seminars, conferences, training and development courses, or for any other Council business approved by the Mayor and Chief Executive.

101. All accommodation arrangements for elected members are to be made by the appropriate Council officer in accordance with the principles of this policy.

102. Elected members can claim $50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that a significant portion of this allowance is paid to the private accommodation provider.

Meals, Beverages and Incidentials

103. Elected Members can claim actual and reasonable meal costs (not including alcoholic beverages) incurred while the member is engaged on Council business.

104. Purchases from hotel mini-bars will not be reimbursed.

Hospitality and Entertainment

105. The Mayor and Deputy Mayor hold credit cards to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided. For the Mayor, all expenditure on this card is to be jointly reviewed – and where deemed appropriate – approved by the Chief Executive and the Chairperson of the Audit and Risk Committee. For the Deputy Mayor, all expenditure is to be reviewed – and where deemed appropriate – approved by the Chief Executive.

106. Elected members can claim actual and reasonable costs incurred while hosting official visitors to Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to; non-alcoholic drinks and catering.

Stationery

107. Council will supply a reasonable amount of paper and printer consumables to elected members, and other stationery requirements for Council business.

Monitoring

108. This policy will be monitored annually as part of Council's Policy Monitoring Framework.

109. Indicators of whether this policy is achieving its stated purposes include:

(i) The extent of alignment between the policy, the Remuneration Authority determination, and relevant legislation.

(ii) Feedback from internal and external stakeholders, including elected members, CO directors and Committee members.,

(iii) Recommendations from internal or external audits.

110. Compliance with this policy will be reviewed on a cyclical basis as part of the Timaru District Council's internal audit process.

111. Council's internal audit work programme will include sampling of allowances and expense claims paid to elected members.

Reporting

112. A summary of the peformance of this policy will be reported to Council as part of the six-monthly Policy Update (when new information is available).

113. Full performance and monitoring data will be made available to Councillors when available.

Delegations, References and Revision History

Delegations
Identify here any delegations related to the policy for it to be operative or required as a result of the policy

Delegation Manual reference	Delegation
N/A	

References
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)

Title	Document reference
Elected Member Code of Conduct	https://www.timaru.govt.nz/__data/assets/pdf_file/0005/1073093/Code-of-Conduct-2025.pdf

Revision History
Summary of the development and review of the policy

Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1	Chief Executive	27 October 2022	Council	August 2025	#1544858
1.1	Chief Executive	27 October 2022	N/A – Appendix A Schedule 1 updated 22 August 2023 to reflect 2023/24 Remuneration Authority determination	August 2025	#1604010
1.2	Chief Executive	27 October 2022	N/A – Appendix A Schedule 1 updated 24 October 2024 to reflect 2024/25 Remuneration Authority determination	August 2025	#1715868
1.3	Chief Executive	27 October 2022	N/A – Appendix A Schedule 1 updated 4 July 2025 to reflect 2025/26 Remuneration Authority determination	August 2025	#1768970
2	Chief Executive	21 November 2025	Chief Executive, under delegated authority by	At the start of the 2028-31 triennium	#1795527

			Council on 4 November 2025 (refer memo #1808266)		
2.1	Chief Executive	21 November 2025	N/A – Appendix A updated 3 February 2026 to reflect the Local Government Elected Members (2025/26) Amendment Determination (No 2) 2025 (refer memo #1822505 and Determination #1819455)	At the start of the 2028-31 triennium	#1819456
3	Chief Executive	21 July 2026	Council, to reflect the Local Government Elected Members (2026/27) Determination 2026	At the start of the 2028-31 triennium	#1853404

Appendix A – Remuneration and Allowances

Updated to reflect the Local Government Elected Members (2026/27) Determination 2026

Remuneration for Elected Members	
Mayor's Remuneration:	$161,673
Deputy Mayor's Remuneration:	$84,502
Committee Chairpersons' Remuneration:	$73,235
Deputy Committee Chairpersons' Remuneration:	$61,968
Councillor (no additional responsibilities)	$56,334
Councillor (Minimum Allowable Remuneration):	$48,823
Geraldine Community Board	
Chairperson (if applicable):	$13,190
Member:	$6,595
Pleasant Point Community Board	
Chairperson (if applicable):	$10,344
Member:	$5,172
Temuka Community Board	
Chairperson (if applicable):	$13,450
Member:	$6,724
Fees relating to hearings per hour of hearing time[2]	
Chairperson of a hearing:	$130
Member not a chairperson:	$104
The Mayor or a member acting as Mayor will not receive meeting fees for hearings.	

Remuneration for External Members on Council Committees or Subcommittees	
Audit & Risk Committee Independent Member per annum (+ disbursements)	$11,500
Audit & Risk Committee Independent Chair $3,200 per meeting (+ disbursements)	$3,200 (per meeting)
Audit & Risk Committee Independent Chair Advisory Fee	$1,100 (per month)
Local Arts Scheme Committee per meeting	$130
Youth Initiatives Subcommittee per meeting	$130

ICT Equipment and Consumables Allowances		
All Elected Members	Mobile phone	$200[3]
	Printer	$50
	Laptop, tablet or similar	$400
Mobile/Phone/Broadband Services Allowances		
All Elected Members	Mobile phone	$500[4]

[2] Actual time spent on items stated in section 6 of the Determination
[3] Except for Mayor
[4] Except for Mayor

	Internet services	$800
Vehicle-Kilometre Allowances for all Councillors and Community Board members		
Vehicle Type	Up to 14,000km of eligible travel	Over 14,000km of eligible travel
Petrol	$1.20 per km	37 cents per km
Diesel	$1.30 per km	38 cents per km
Petrol Hybrid	90 cents per km	24 cents per km
Electric	$1.22 per km	23 cents per km
Travel Time Allowance		
$41.30 for each hour of eligible travel time after the first hour of eligible travel time travelled in a day, up to a maximum of 8 hours in a 24-hour period.		

All allowances are GST inclusive, if any applies. All other values are GST exclusive, if any applies.