

STAFF REPORT

TO: Chair and Members, Corporate Services Committee
FROM: M W Staite, Corporate Services Manager
DATE: 15 July 2008
SUBJECT: **Elected Members Mileage Allowance**

Purpose

To consider increasing elected members mileage reimbursement from 62 cents to 70 cents per kilometre.

Background

During recent months the cost of fuel at the pump has increased substantially. As a consequence I have received a number of informal requests from councillors in relation to the adequacy of mileage allowances paid to elected members. While the price of fuel has risen it is important to note the mileage rate is to cover fuel costs as well as general costs of running a vehicle. This allowance is taxable in the hands of elected members.

Discussion

The Remuneration Authority sets the maximum allowance payable at 70 cents per kilometre. The current Public Service rate for mileage reimbursement is 62 cents for the first 3,000 kilometres and 19 cents thereafter. I understand that this rate is under review by Inland Revenue, but am unsure as to when this review would be completed or the outcome.

Based on mileage travelled for the 2007/2008 year, we estimate the difference in cost to Council between 62 cents and 70 cents per kilometre to be \$9,146.00.

Funding

With the budgets set for the 2008/2009 year, funding for this increase would need to come from reducing another budget by a corresponding amount. I would suggest that the Corporate Services Manager be requested to fund this additional cost from an appropriate funding source.

Recommendation

That from 1 July 2008 the mileage reimbursement for elected members be increased from 62 cents per kilometre to 70 cents per kilometre.

Murray Staite
Corporate Services Manager