

STAFF REPORT

TO: Mayor and Councillors
FROM: David Ward
DATE: 21 July 2006
SUBJECT: Councillor Mileage Allowances

During recent months I have had a number of informal requests from Councillors in relation to the level of, or adequacy of, mileage allowances that are paid to elected members. Naturally the requests have been instigated as a direct result of increasing fuel costs.

Since 1 April 2001 Council has been reimbursing elected members at a rate of 60 cents per kilometre for mileage travelled in direct relation to Council matters or constituent business – the latter is encompassed by a 3,000 kilometre per year limit.

Given the obvious geographic spread of our Councillors, reimbursement for mileage varies considerably from (based on ten months to April 2006) 586 kilometres to 22,074 kilometres. The Local Government Act 2002 clause 14(3) identifies that the maximum amount of mileage allowance is 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. There is currently no move to review these, despite recently increased fuel costs.

Based on mileage travelled for the 2005/2006 year we estimate the difference in cost to Council between 60 cents and 70 cents per kilometre to be \$14,100. This money would not, naturally, be paid proportionately to all Councillors and it is treated as a taxable revenue source in the hands of Councillors.

If Council feels that it is prudent to review the current level of mileage allowance paid, it would be appropriate at today's meeting to resolve to ask staff to identify an appropriate sum of money (and source). Staff would then report back to the next meeting of Corporate Services with the necessary recommendation to effect any variation.

David Ward
Corporate Services Manager