

Report No:	RFN11-07-04
File No:	C780
Date:	28 June 2011
<b>Decision Required</b>	

## REPORT SUMMARY

**Report to:** Corporate Services Committee  
**Meeting Date:** 7 July 2011  
**Report Author:** Murray Staite, Corporate Services Manager  
**Subject:** **Mileage Reimbursement**

### EXECUTIVE SUMMARY

The Remuneration Authority has indicated that due to additional vehicle running costs it is prepared to authorise an increase in mileage reimbursement for the first 5,000 kilometres to 74 cents, an increase of 4 cents per kilometre.

Such an increase would ensure that elected members are fairly compensated for the vehicle running costs but this does increase Council expenditure.

### RECOMMENDATION

The staff recommendation is that the allowance paid to elected members be increased to the maximum allowed by the Remuneration Authority.

### DRAFT RESOLUTION

**That the Corporate Services Committee request staff to write to the Remuneration Authority seeking the Authority's approval to reimburse elected members for motor vehicle running expenses at 74 cents for the first 5,000 kilometres.**

Report No:	RFN11-07-04
File No:	C780
Report Date:	8 June 2011
<b>Decision Required</b>	

**Report to:** Corporate Services Committee  
**Meeting Date:** 7 July 2011  
**Report Author:** Murray Staite, Corporate Services Manager  
**Subject:** **Mileage Reimbursement**

## **1. Purpose**

- 1.1 To consider increasing elected members mileage reimbursement from 70 cents to 74 cents per kilometre.

## **2. Background**

- 2.1 The Remuneration Authority (the authority) has recently written to all councils (Appendix A) indicating that the Authority is prepared to approve all requests that increase elected members mileage reimbursement from 70 cents to 74 cents for the first 5,000 kilometres in any one year.
- 2.2 The Authority notes that the change is as a result of recent changes to mileage arrangements and increases to motor vehicle running costs.

## **3. Present Situation/Matters to be Considered**

- 3.1 The change in mileage ensures that elected members are fairly compensated for the use of a motor vehicle while undertaking their duties as elected members.
- 3.2 The proviso is that the 74 cents only applies to the first 5,000 kilometres of travel.
- 3.3 Mileage reimbursement in excess of 5,000 kilometres would be required to revert to 70 cents per kilometre.

## **4. Financial/Budgetary Considerations**

- 4.1 If the new rate had applied for the last financial year the additional cost incurred would have been approximately \$3,061.

- 4.2 This additional cost can be absorbed into the existing budget for elected members.

## 5. Options

**Option 1** – Reject the recommendation and continue to reimburse mileage at 70 cents per kilometre.

**Option 2** – Accept the recommendation and instruct staff to seek approval from the Remuneration Authority to approve an increase in mileage reimbursement of 4 cents to 74 cents per kilometre for the first 5,000 kilometres.

## 6. Pros and Cons of Options

**Option 1** – Accepting this option would result in elected members not being fairly compensated for the use of a motor vehicle.

**Option 2** – This option ensures that elected members are fairly compensated for the use of a motor vehicle.

Option 2 would increase Council operating costs by \$3,061.

## 7. Significance

- 7.1 In accordance with Council's Significance Policy this decision is not considered significant.

## 8. Recommendation

- 8.1 The staff recommendation is that the allowance paid to elected members for mileage be increased to the maximum allowed by the Remuneration Authority.

## 9. Draft Resolution

**That the Corporate Services Committee request staff to write to the Remuneration Authority seeking the Authority's approval to reimburse elected members for motor vehicle running expenses at 74 cents for the first 5,000 kilometres.**