

Report 11.284
Date 20 June 2011
File E/05/02/03

Committee Council
Author Fran Wilde, Chair

Policy on elected members' allowances and expenses

1. Purpose

For Council to adopt a new policy on elected members' allowances and expenses to provide for a change to the mileage allowance.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The mileage allowance provisions in the Council's current policy on elected member's allowances and expenses are consistent with the maximum entitlements set by the Remuneration Authority (the Authority). The current provisions are as follows:

- The first 30 kilometres travelled each day is not eligible for mileage.
- The first 5000 kilometres of eligible mileage claimed by an elected member in any financial year shall be subject to an allowance of \$0.70 per kilometre.
- Any eligible mileage over 5000 kilometres claimed by an elected member in any financial year shall be subject to an allowance of \$0.35 per kilometre.

In light of recent changes to mileage arrangements set by the IRD and recent increases to motor vehicle costs the Authority has decided to increase the maximum entitlement from 70 to 74 cents for the first 5000 eligible kilometres of travel per financial year with effect from 1 July 2011. The Authority has not made any amendment to the 35 cent rate which applies to eligible kilometres travelled over 5000 kilometres. Councils wishing to implement the mileage increase to 74 cents per eligible kilometre are required to resolve a new

allowances and expenses policy and to submit the policy to the Authority for approval. The Authority's letter is attached as **Attachment 1**.

4. Proposed amendments to the policy

The proposed Policy on Elected Member's Allowances and Expenses providing for the change to the mileage entitlement is attached as **Attachment 2**.

5. Application to appointed members

The mileage allowance payable to appointed members of committees and advisory groups is set by the Council and is not subject to Authority approval. The Council's approach has been to apply the maximum rate (currently 70 cents per kilometre) to appointees. It is proposed that this rate will increase to 74 cents per kilometre.

6. Communication

The Council's decisions will be communicated to the Authority to enable the new policy to be approved.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Adopts the Policy on Elected Member's Allowances and Expenses 2011, providing for the change to the mileage allowance.*
4. *Notes that the policy is subject to approval by the Remuneration Authority.*
5. *Agrees that the per kilometre rate for appointed members of committees and advisory groups shall increase to 74 cents with effect from 1 July 2011.*

Report prepared by:

Fran Wilde
Chair

Attachment 1: 23 February 2011 letter from the Remuneration Authority
Attachment 2: Draft of the Policy on Elected Members' Allowances and Expenses 2011