

7 December 2009

Mr David Oughton
Chairman
Remuneration Authority
PO Box 10084
WELLINGTON 6143

Dear David

SUBJECT: Motor Vehicle Allowance for Elected Members

On behalf of Hamilton City Council (HCC) I wish to provide you our submission/comments on the Remuneration Authority proposal to abolish the mileage allowance and to replace it with reimbursement of travelling time and actual travel costs.

Our Council does not agree with the above proposal, as we consider HCC's existing policy on mileage allowance to be fair and equitable and easy to manage. HCC has a clearly defined policy on mileage allowance as outlined below.

HCC's current expense and allowance policy states any mileage (and taxi costs) that are incurred which qualify under the policy will be reimbursed (ie travel costs incurred whilst representing Council outside of the City Boundary). The reimbursement of mileage is accordance with rates as prescribed by the Inland Revenue department (i.e. 62 cents per km for the first 3000kms in any one year, with additional kilometres at a rate of 19 cents per km).

It is important to note that HCC's policy does not allow reimbursement of elected members travel between home and the Municipal Office, and travel within the City Boundary. Therefore the policy eliminates any personal travel.

HCC has applied the mileage rate prescribed by the IRD for several years as we consider this a reasonable average cost to run a motor vehicle. We do not consider this rate covers the time of travelling.

Council's policy on mileage for elected members (as prescribed rates by the IRD) is consistent with the rate paid in respect of HCC employee mileage reimbursements.

For the financial year ending 30 June 2008, a total of 2,794 km was claimed by HCC elected members at 62 cents, which equates to \$1,732. This amount is not considered large and the allowance is visible as it is included in the remuneration, expense and allowance report which is provided monthly to elected members.

If the Remuneration Authority was to abolish the mileage allowance and replace it with reimbursement of travelling time and actual travel costs, Council would consider this a backwards step. We would consider the reimbursement of travelling time to be double dipping, as elected members receive a salary which you could argue covers travelling

time. In addition the capturing of travelling time would be open to interpretation and the process would be very onerous and difficult to implement.

In summary I recommend that HCC's continues with its current mileage allowance policy as noted above.

Thank you for the opportunity for allowing us to present our submission.

Regards

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Mayor

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