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Geoff Summers
Chair
Remuneration Authority

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Kia ora Geoff

LOCAL AUTHORITY ELECTED MEMBER TRAVEL ALLOWANCES

At our Council meeting on 18 May 2023, at which Council adopted its current Policy on Elected Members' Allowances and Expenses, there was considerable discussion about the current framework relating to elected member travel.

Under the current framework Councillors may claim a mileage allowance for travel incurred in their own motor vehicle on Council business. Councillors may also claim for the costs incurred in utilising public transport and micro-mobility options if their Council's relevant policy so provides.

Our Councillors have expressed the following concerns with regard to the current framework:

- The framework provides generous allowances for the use of motor vehicles, compared with the reimbursement approach of actual costs incurred for using more sustainable travel options. The framework is outdated in a time of climate crisis, and a framework that provides for mode neutrality or favours sustainable active modes should be developed to replace it.
- The reimbursement process for use of more sustainable modes is administratively inefficient for both Councillors and officers given the relatively low costs involved with such claims. Reimbursement requires Councillors to keep receipts or other evidence of payment, where practicable, and then for officers to assess the information provided to confirm eligibility for reimbursement. The time and costs involved in this process can be disproportionate to the value of the claims made.

Our proposal

We suggest that the Authority should consider replacing the current travel allowances and reimbursement framework with a standard travel allowance regime similar to the ICT allowances regime that applies where Councillors utilise their own equipment and consumables for Council business. Each Councillor would receive an annual travel allowance of the same value regardless of the distance they travel on Council business and their modes of travel. The current allowance for travel time would remain as it currently is.

To the extent that the proposed standard travel allowance does not cover the actual costs incurred by a Councillor in any financial year, e.g. in relation to a Councillor travelling a long distance by motor vehicle, then the Councillor would continue to be able to claim their Council-related travel costs as a deduction from their taxable expenses, due to the tax status of a Councillor as a self-employed contractor. This would ensure that Councillors who are required to travel significant distances in any year are not unduly disadvantaged by the establishment of a standard annual travel allowance.

I look forward to the Authority's consideration of this proposal, and look forward to an opportunity to discuss this proposal with you.

Ngā mihi nui



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Council Chair

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CC:

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