



Annual Report 2009-2010

Annexure 4

Payment of Expenses & Provision of Facilities Policy

Payment of Expenses & Provision of Facilities to the Mayor, Deputy Mayor & Councillors Policy



November 2010

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Part 1 - Introduction

1.1 Title and commencement of the Policy

The title of this policy is “Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy” The Policy takes effect from 15 November 2010.

1.2 Purpose of the Policy

The purpose of the policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by councillors. The policy also ensures that the facilities provided to assist councillors to carry out their civic duties are reasonable.

1.3 Objectives and coverage of the Policy

The objectives of this policy are:

- to provide clear guidelines on the scope and extent of expenses that may be claimed by, and the equipment and facilities that may be provided to, the Mayor, Deputy Mayor and Councillors.
- to provide an accountable and transparent process for the reimbursement of expenses incurred, or to be incurred, by the Mayor, Deputy Mayor and Councillors.

1.4 Making and adoption of the Policy

This policy is made in accordance with the requirements of the Local Government Act 1993 and as adopted by the Council. Any proposed amendments to this policy will not take effect unless the proposed amendments have been placed on public exhibition with at least 28 days allowed for public submissions. Before adopting or amending this policy, the Council will consider any submissions made during the public exhibition period and may make changes to the policy based on those public submissions.

The draft of this Policy was on public exhibition during the period 6 October 2010 to 2 November 2010.

The Policy was considered at the Corporate and Works Committee Meeting on the 8 November 2010 and the draft policy was adopted by Council at its meeting on the 15 November 2010.

1.5 Reporting requirements

In accordance with Section 428 of the Local Government Act 1993 Council is required to include in each Annual Report the following information relating to this Policy:

- the Policy
- the total amount of money expended during the year on providing the facilities and paying the expenses
- additional information as required by the Local Government (General) Regulation 2005.

In accordance with Clause 217 of the Local Government (General) Regulation 2005 Council is required to include the following additional information in each Annual Report.

Council is required to report separately on:

- the total cost of expenses and the provision of facilities for the mayor and all councillors, as well as:

Expenses

- the cost of phone calls including mobiles, home located landlines, facsimile and internet services
- spouse/ partner/ accompanying person expenses
- conference and seminar expenses
- training and skill development expenses
- interstate travel expenses (including subsistence and out-of-pocket expenses)
- overseas travel expenses (including subsistence and out-of-pocket expenses)
- care and other related expenses (of dependants to enable a councillor to undertake his or her civic functions), and

Provision of facilities

- the cost of the provision of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and internet installed in the councillors' homes (including line rental and internet access). This item does not include the costs of using this equipment, such as calls.

1.6 Legislative provisions

This Policy has been prepared and adopted in accordance with sections 23A, 252, 253, 254 and 403 of the Local Government Act 1993 and clause 403 of the Local Government (General) Regulation 2005.

In accordance with clause (1)(h) of Schedule 1 of the Government Information (Public Access) Regulation 2009 this policy forms part of Council's open access information and is available to the public. Council provides access to the Policy through publication on the Council's website or by obtaining a copy from Council's Customer Service Centre.

Council reports on this Policy in accordance with section 428 of the Local Government Act 1993 and clause 217 of the Local Government (General) Regulation 2005.

1.7 Other Government policy provisions

The following documents have also been taken into account during development of this Policy:

- The Model Code of Conduct for Local Councils in NSW – June 2008
- Division of Local Government Circular 05/08 *Legal assistance for councillors and council employees*
- Division of Local Government Circular 02/34 *Unauthorised use of council resources*
- Independent Commission Against Corruption publication *No Excuse for Misuse, preventing the misuse of council resources (Guidelines 2)* November 2002.

Part 2. Payment of Expenses

General provisions

2.1 Payment of expenses generally (principles and processes)

Allowances and expenses

No provision will be made for the payment in the nature of a general expense allowance to Councillors.

Monetary limits for expenses

This policy includes monetary limits and standards applicable to the payment of various expenses to the Councillors. Including limits in the policy allows members of the public to know the expected cost of providing services to the Councillors and to make comment during the public consultation phase of the making or amending the policy. Having clear limits also avoids situations where councillors incur costs that are unforeseen or considered unreasonable by other councillors and the public.

No private benefit unless payment made

Councillors are not to obtain a private benefit from the provision of equipment and facilities, nor from travel bonuses such as “frequent flyer” schemes or any other such loyalty programs while on council business. However it is acknowledged that incidental use of council equipment and facilities may occur from time to time. Such incidental private use is not subject to a compensatory payment back to council.

Where more substantial private use does occur, the Local Government Act provides that a payment may be made to cover the level of the private use.

No use of council resources for political purposes

A person’s re-election, or the seeking of any political office, is considered to be a personal interest. Official council material such as letterhead, publications, websites as well as council services and forums must not be used for such personal interests. Situations in which the appearance may be given that these are being used for such purposes are also to be avoided.

The fundraising activities of political parties, including political fundraising events, are considered to be personal interests. Council will not pay expenses or provide facilities to councillors in relation to supporting and/or attending such activities and events.

Gifts and benefits to be of token value

In circumstances where it is appropriate for councillors to give a gift or benefit (for example, on a council business related trip or when receiving visitors) these gifts and benefits should be of token value.

Participation, equity and access

Council's policy is designed to be non-discriminatory, equitable and encourage participation on council from diverse backgrounds that represent the demographics of the local community.

The policy contains provisions that encourage all members of the community from different walks of life, particularly under-represented groups such as those in primary

caregiver roles, to seek election to council by ensuring that they would not be financially disadvantaged in undertaking the civic duties of a councillor.

Approval arrangements

This policy applies to councillors who are nominated to attend conferences, seminars and similar functions.

Nomination is to be by resolution of the Council provided that this shall not preclude the Mayor from nominating a substitute attendee in his or her stead for functions within the Council area or general Sydney Metropolitan Area on those occasions where the Mayor is unable to be in attendance.

Council may also resolve to delegate authority to the Mayor to appoint Councillors to attend specific conferences, seminars or similar functions.

Advance payments and reimbursement and reconciliation of expenses process

Councillors may request payment in advance in anticipation of expenses incurred through attending conferences, seminars and training away from home.

All advance payments must be reconciled within one month of the expense being incurred and any under expenditure must be reimbursed to Council.

All claims for reimbursement of expenses must include supporting documentation in the form of receipts or statutory declaration and be accompanied by a statement by the councillor that the expenditure was incurred as a direct result of them undertaking their duties as a councillor.

2.2 Specific expenses for councillors**Conferences, seminars, workshops and courses****Application**

The conferences, seminars, workshops, courses and similar to which this policy applies shall generally be confined to:-

- * Local Government Association Annual Conferences.
- * Special "one-off" Conferences called by the Local Government Association on important issues.
- * Annual Conferences and Congresses of the major Professions in Local Government.
- * Seminars which further the training and development efforts of the Council, and are within the budget framework.

Registration

The Council will pay all normal registration costs which are charged by organisers, including those relating to official luncheons, dinners and tours which are relevant to the interests of the Council.

Costs incurred

Payment or reimbursement of costs incurred shall be subject to the following requirements:-

- (a) the travel is on Council business, including:
 - travel outside the Municipality, undertaken in compliance with a resolution of the Council; or
 - to and from the periodical conferences and seminars of the Local Government related Organisations (generally as listed above);
- (b) only reasonable allowances are claimed or accepted towards necessary out-of-pocket expenses;
- (c) the travel is undertaken with all due expedition, and by the shortest route;
- (d) any time occupied in other than Council business is not included in the calculation of expenses to be paid; and
- (e) the claim is made no later than three months after the expenses were incurred, and upon a voucher form for payment.

Subject to the above provisions:-

i. Travel**Local Travel**

All reasonable travel costs will be met by the Council. Where appropriate, travel will be provided by air (economy class). Depending upon the circumstances, it may be more appropriate for travel to be undertaken by train or car. Where trains are used the Council will provide first class travel, including sleeping berths where necessary.

Travel by motor vehicle may be undertaken by Council vehicle (where available) or by private vehicle subject to prior approval. Persons using private vehicles will be paid the normal "kilometres travelled" allowance at the current rate set by the appropriate industrial Award from time to time, but subject to such cost not exceeding economy class air fares to and from the particular destination.

Costs of vehicle hire and/or taxi fares which are reasonably incurred while attending conferences will be reimbursed by the Council.

Councillors may claim reimbursement for Public Transport fares to and from official Council meetings and functions and when representing the Mayor at official appointments.

Interstate and overseas travel

Any interstate or overseas travel is required to be approved by resolution of Council.

Details of any overseas travel must also be included in the Council's Annual Report.

- ii. Accommodation
Reasonable accommodation costs (including meals) including the night before and/or after the conference where this is necessary will be met by the Council.
- iii. Out of pocket and incidental expenses and expense allowance
Council may pay out of pocket and incidental expenses or an expense allowance

Out of pocket and incidental expenses

Reasonable out of pocket or incidental expenses associated with councillors attending conferences, seminars, workshops and courses will be reimbursed to Councillors following submission of a claim form that includes an itemised account of the expenditure.

Incidental expenses include items such as:

- telephone, internet or facsimile calls,
- refreshments,
- laundry and dry cleaning,
- newspapers,
- taxi fares and parking fees.

In addition, the cost of meals not included in registration fees may be reimbursed after reconciliation up to a daily limit of \$100.

Expense allowance

Where applicable a daily allowance will be paid in accordance with the Federal Public Service standard travel and allowances scale, applicable from time to time.

- iv. Delegates accompanied by spouses/partner
Where a Councillor is accompanied by his or her spouse/partner the Councillor will pay all costs associated with the spouse/partner's attendance.

Care and other related expenses

Councillors will be reimbursed for reasonable costs of care arrangements, including childcare expenses and the care of elderly, disabled and/or sick immediate family members of councillors incurred in attending Council meetings, Committee meetings, workshops, briefing sessions and official site inspections relating to Council's operations.

Councillors will be reimbursed for expenses associated with the cost of care paid to providers other than immediate family members, spouse or partner up to 1 hour before and after such meetings (based on advertised commencement times) subject to the production of appropriate documentation/receipts.

The maximum entitlement for reimbursement for each Councillor is \$3,000 per annum (July to June).

Insurance cover

Councillors are to receive the benefit of insurance cover for:

- a. personal injury whilst on Council business, the cover does not include medical expenses;
- b. professional indemnity for matters arising out of Councillor's performance of civic duties or exercise of their functions as Councillors provided the performance or exercise of the relevant civic duty is, in the opinion of Council, in good faith or proper. But subject to any limitations or conditions set out in the policy of insurance which is, at the direction of Council, taken out.
- c. public liability for matters arising out of Councillor's performance of civic duties or exercise of their functions under the Act. But subject to any limitations set out in the policy of insurance which is, at the direction of Council, taken out.

Legal expenses and assistance

Council will indemnify or reimburse the reasonable legal expenses of:

- a. a Councillor defending an action arising from the performance, in good faith, of a function under the Local Government Act; or
- b. a Councillor defending an action in defamation provided the statements complained of were made in good faith in the course of exercising a function under the Act; or
- c. a Councillor for proceedings before the Local Government Pecuniary Interest Tribunal or an investigative body provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the Tribunal or investigative body makes a finding substantially favourable to the Councillor.

Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her functions under the Act should be distinguished from expenses incurred in relation to proceedings arising merely from something which a councillor has done during his or her term of office.

Council will not provide legal assistance in respect of legal proceedings initiated by the Mayor and/or Councillors.

Part 3 – Provision of facilities

3.1 Deputy Mayor and Councillors

The Councillors, including the Deputy Mayor are to receive the benefit of:

- use of Official Stationery
- Typing of Official correspondence
- Postage of official correspondence – all mail is to be directed through the Council's own mailing system. Reimbursement of expenses will only be made where expenses can be verified.
- Meals at Council Meetings, Committee Meetings, working party meetings and workshops
- Transport to official functions (if needed) when deputising for the Mayor
- E-mail Account on Council's IT system

3.2 Mayor

In addition to those facilities provided to the Councillors, the Mayor is to receive the benefit of:

- Use of a prestige Council vehicle and Chauffeur for official purposes
- Secretarial services
- Administrative assistance associated with functions, meetings and the like
- Office refreshments
- Mobile telephone
- Mayoral Office
- Light refreshments

3.3 Reimbursement of expenses incurred by the Mayor, Deputy Mayor and Councillors

The Mayor, Deputy Mayor or Councillors may claim reimbursement of the following expenses:

- i. Fixed line rental for phone and/or fax lines to a maximum of \$50.00 per month per Councillor,
- ii. Mobile phone calls to a maximum of \$100.00 per month per Councillor,
- iii. Home Internet usage charges to a maximum of \$50.00 per month per Councillor.

All claims for reimbursement must be accompanied by appropriate documentation/receipts.

3.4 Funding of additional facilities purchased by the Mayor, Deputy Mayor or Councillors

The Mayor, Deputy Mayor or Councillor may wish to purchase additional facilities to assist them with their civic duties. To aid Councillors with the purchase of the additional equipment which may otherwise place an undue financial disadvantage on a Councillor, Council will, upon written request of a Councillor, purchase the additional equipment with all costs associated with the purchases being repaid to Council through deductions from that Councillors allowance. All costs associated with any purchases under this clause of the Policy must be repaid by the end of the Council term in which the purchases have been made.

Facilities to be funded in this manner include:

- personal or lap top computers,
- printers
- facsimile machines
- mobile telephones
- answering machines
- land lines and/or Internet broadband installation and usage charges

The Mayor, Deputy Mayor or individual Councillor will be the owner of any equipment purchased under this clause of the Policy and will be responsible for all consumable and maintenance/repair costs associated with the equipment.

Note: Council is only entitled to claim a credit for GST paid on these facilities to the extent that they will be used for Council business. In order to claim the GST credit a declaration will be required from Councillors stating what proportion of usage of these facilities is for Council business.

3.5 Joint Regional Planning Panel (JRPP) Fees

Remuneration paid to Councillors appointed by Council to the JRPP is to be paid in accordance with clause 6 of Schedule 2 of the Environmental Planning and Assessment Act 1979.

Clause 6 states:

A member is entitled to be paid such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine in respect of the member.

The Minister for Planning's decision, included in correspondence sent to all councils in NSW on 24 July 2009, was to allow each council to determine the rate of remuneration for their members. The Minister's decision included *"As councillors already receive an annual fee set by the Local Government Remuneration Tribunal each year for performing their councillor duties, an additional per meeting fee of no more than \$600 appears reasonable, recognising that membership of the Regional Panel will bring additional responsibilities.*

At the meeting held on 23 August 2010 Council resolved to adopt a fee of \$600 for Councillors attending formal meetings of the Joint Regional Planning Panel.

Part 4 Other matters

4.1 Status of the Policy/Policy review

This Policy is current and scheduled for review in August/September 2011.

The Policy was previously reviewed by Council on 30th May 2005, 13th November 2006, 5th November 2007, 1st December 2008 and 14 September 2009.

End of Policy