



## 13 CIVIC LEADERSHIP

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<b>Item</b>	13.3
<b>Subject</b>	Review of Councillor Expenses and Facilities Policy
<b>Presented by</b>	Mark Griffioen, Corporate and Community

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### EXECUTIVE SUMMARY

Section 252 of the NSW Local Government Act (the Act) provides that within the first 12 months of each term of a council, the Council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the Mayor, the Deputy Mayor and the other councillors in relation to discharging the functions of civic office.

Any policy must comply with the provisions of the Act, the regulations and any relevant guidelines issued under section 23A.

A draft policy is attached with the main change being the payment of superannuation for Councillors from 1 July 2022 as per Section 254B of the Act.

The existing policy also contains maximums for travel expenses but the practice of the Council has been to reimburse for private motor vehicle use at the applicable kilometre rate in the Local Government (State) Award. This practice is considered to be the fairest as the travel requirements of Councillors are likely to differ significantly depending on where they live and the council business they undertake. The setting of an arbitrary maximum may be unfair to some and problematic to enforce.

The maximum amount listed for all expenses has been reviewed and updated to reflect inflationary impacts, both past and projected for this term of Council.

The Act, Regulations and OLG guidelines stipulate that Councillors should not obtain private benefit from the provision of equipment and facilities with any benefit being restricted to "incidental" private use.

The existing policy (clause 6.2.2) provides that the Mayor may use the Mayoral vehicle for private purposes within NSW and shall pay a fee of \$50 per annum to council for that private use. It is considered that this clause needs to be amended in the policy and allowing private use with refuelling outside of a 200km radius of the Council Administrative Centre being at the cost of the Mayor.

The revisions to the existing policy are shown in yellow highlight in the Draft Councillor Expenses and Facilities Policy (2022) which is **attached**.

## **RECOMMENDATION**

That:

1. The Draft Councillor Expenses and Facilities Policy (2022) be advertised for public submissions for a 28 day period
2. A further report be presented to Council at the conclusion of the exhibition period.

## **ATTACHMENTS**

1. Councillor Expenses and Facilities Policy
2. Councillor-Expenses-and-Facilities-Policy-Suggested-Template
3. Draft Councillor Expenses and Facilities Policy 2022

## PURPOSE

The purpose of this report is for Council to review and adopt a draft Councillor Expenses and Facilities Policy. As per Section 253 of the NSW Local Government Act the Council must give public notice of its intention to adopt the policy and allow at least 28 days for the making of public submissions.

Before finally adopting the draft policy, the Council must consider any submissions made within the 28 days and make any appropriate changes to the draft policy prior to its adoption.

Section 253 also provides that a council need not give public notice of a proposed amendment to its policy if the council is of the opinion that the proposed amendment is not substantial. Whether or not amendments are "substantial" is subjective and the preferred approach is to advertise the draft for 28 days.

## DISCUSSION

Section 252 of the NSW Local Government Act requires a new Council to adopt a policy for the payment of expenses and the provision of facilities within the first 12 months of each term of a council. The policy must be advertised for public submissions for 28 days and if there are public submissions then these must be presented to Council for consideration prior to the adoption of the policy.

The existing "*Councillor Expenses and Facilities Policy*" is **attached**.

The Office of Local Government's (OLG's) suggested template for a Councillor Expenses and Facilities Policy is **attached**.

The proposed Draft Councillor Expenses and Facilities Policy (2022) is also **attached** with yellow highlight to indicate the sections and amounts which have been changed.

Commentary on the provisions of the existing policy in terms of the OLG's suggested template is as follows:

### Page 1 - General travel expenses- \$2,500 per councillor/\$15,000 for the Mayor (inclusive of the Mayor's Council supplied vehicle) per year

The existing policy contains an annual cap on general travel expenses. Creditors staff reimburse councillors for using their private vehicle for official use based on the kilometre rate for the applicable engine size as set out in the Local Government Award. The provision of a cap is problematic as the travel requirements of councillors will vary depending on their place of residence and the community meetings and events they attend as part of their council duties. There are also the practical problems of the cost of the Mayor's council supplied vehicle changing and potentially exceeding the cap as well as providing notice to councillors they are approaching their cap before the payment of their legitimate travel expense claims are refused. It is recommended that the respective caps not be included.

### Page 1 - Professional development - \$2,000 per councillor (excluding training delivered by Council

staff) per year

It is recommended that this provision be increased to \$3,000 given it has not changed since 2019 and may not be reviewed again for another three years.

Page 1 - Conferences and seminars - \$2,500 per councillor per year

A check of costs pertaining to the 2022 NSW Local Government Conference which was held at the Hyatt Regency Sydney indicates an approximate cost of attendance (including flights) at \$2,838. If the conference was held elsewhere in NSW the costs of attending would likely be higher. Given current costs and the likelihood that the policy will not be reviewed for another three years it is recommended that the provision be increased to \$3,500 per councillor per year.

Page 1 - ICT expenses

The value of the mobile phone has been increased by \$200.

Page 2 - Carer expenses

It is recommended that this provision be increased from \$3,000 to \$3,500 to provide for inflation.

Page 2 - Home office expenses

The allowance of \$10 per month for internet data is considered inadequate given the circumstances of the past couple of years. A more reasonable allowance is \$50 per month and this is recommended.

Page 6 - 5.2.4 - Councillors seeking to be reimbursed for use of a private vehicle must keep a log book recording the date, distance and purpose of travel being claimed. Copies of the relevant log book contents must be provided with the claim

Councillors currently complete a claim form which sets out the date of travel, the purpose of the travel and the distance travelled. A log book extract is not provided. The requirement for copies of log book contents to be provided with claims should not be included and the policy has been amended to reflect this.

Page 12 - 6.2.2 - The Mayor may use the (council provided) vehicle for private purposes within NSW and shall pay a fee of \$50 per annum to council for that private use

There are inconsistencies in the existing policy in relation to the treatment of the council vehicle allocated to the Mayor. Clause 5.2.10 indicates that the Mayor may incur expenses up to a total of \$15,000 per year (including the cost of owning and operating the Council supplied vehicle) for travel expenses incurred while undertaking official business within NSW. However clause 6.2.2 of the current policy, provides the Mayor may use the vehicle for private purposes within NSW and shall pay a fee (of) \$50 per annum to council for that private use.

The Act and Regulations do not support general allowances and stipulate that the expenses must pertain to the undertaking of council business. Confusingly the DLG (former OLG) Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW (**attached**) provides on page 22 as follows:

*"Provision of a motor vehicle*

*Generally, a fully serviced and maintained vehicle, including a fuel card, should be provided for the sole use of the mayor. The type of motor vehicle and all conditions of use should be specified in the policy.*

*Councillors, including the mayor, should only obtain incidental private benefit from the provision of a motor vehicle unless the policy specifically provides for private use and has a mechanism in place for a payment to be made for that private use. This mechanism should be outlined in a council's expenses and facilities policy ..."*

Generally, if the Mayor is out and about in the community within a 200km radius of the Council Administrative Centre, it is considered likely the Mayor will, engage in Council business and therefore it is considered, within such a range, the Mayor is always to be on Council Business. Outside of this radius it is likely to be a private use of the vehicle and therefore it is appropriate that any refuelling outside of this radius be at the Mayors personal expense, subject to the journey not being for a specific Council related trip.

A draft policy including the revisions identified above shown in yellow highlight and which is recommended for public exhibition is **attached**.

## **STRATEGIC ALIGNMENT**

(CL) CIVIC LEADERSHIP

(CL.1) Council is an organisation that embraces business excellence

(CL.1.4) Best practice, sustainability principles, accountability and good governance are incorporated in all we do.

(CL.1.4.0) Best practice, sustainability principles, accountability and good governance are incorporated in all we do. - Other Activities

## **RESOURCING STRATEGY IMPLICATIONS**

The recommended draft policy recognises current and future costs of conferences and professional development.

## **CONCLUSION**

The Councillor Expenses and Facilities Policy has been reviewed in terms of legislative and regulatory requirements and also the practical application of its provisions by Councillors and council staff. There are a number of recommended changes (as highlighted in yellow in the attached draft) and it is recommended that the policy be placed on public exhibition for 28 days.