



**KEMPSEY**  
Shire Council

## **DIRECTOR CORPORATE SERVICES REPORT**

12<sup>th</sup> September 2006

<b>DCS11</b>	<b>POLICY – PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO THE MAYOR AND COUNCILLORS FILE: 276 PJH</b>
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### **SUMMARY:**

Reporting on the review of Council's Policy on Payment of Expenses and Provision of Facilities to the Mayor and Councillors.



### **DESCRIPTION:**

Council last reviewed its policy on the payment of expenses to the Mayor and Councillors in April 2005. At this time the review was undertaken following advice from the Department of Local Government that a number of councils had policies that did not comply with the Act in regard to the payments made under this policy. The Department also advised at the time that guidelines were being prepared to assist councils.

The Department's advice was in circular 04/60 and stated in part: -

*"The policies should not include a general expense clause. Section 252 only authorises payment or reimbursement of actual expenses incurred by councillors. It is not appropriate for councils to pay general allowances unrelated to actual expenses incurred."*

Kempsey Shire Council wrote to the Department in February 2005 regarding our policy including payment of allowances for telephone, sustenance and accommodation costs. The Department's response was that our matters would be considered in the drafting of the guidelines.

This Council resolved at its meeting on 12<sup>th</sup> April 2005 that Council defer adopting any amendments to its current policy until further advice was received on the guidelines.

# J - 2

During the Promoting Better Practice Review in November 2005 the Department officers were asked about the guidelines and advised that they were with the Minister for Local Government for approval.

The guidelines have still not been released by the Minister.

It is understood discussions have been ongoing between the Minister and the Local Government and Shires Association. The Manager Administration contacted the Department on 31<sup>st</sup> August 2006 and was advised that the Director-General, Mr Garry Payne was to follow up with the Minister about releasing the guidelines.

## **Councils now required to adopt a policy each year.**

A recent amendment to Section 252 of the Local Government Act 1993 requires that within 5 months after the end of each year (by 30<sup>th</sup> November), a council must adopt a policy concerning the payment of expenses to the Mayor and Councillors. It was hoped to have the guidelines to undertake review of our policy however it is suggested that our current policy be reviewed and either adopted as is or amended so as section 252 can be complied with. This requires that the policy must be advertised 28 days before final adoption which will be at the November meeting.

When the guidelines are released a further review and/or amendment can take place at that time.

A copy of Council's existing policy is attached at [\(Appendix G\)](#).

## **Possible amendments to existing policy**

### Section 1(c) – Travel

Councillor Bowell has submitted a written request for review of the section of the policy on travel reimbursement when a Councillor chooses to use their own vehicle when travelling to venues outside the Shire. Currently if a councillor chooses to use their own vehicle rather than travel in an available council vehicle, reimbursement will be only for the actual cost of fuel and lubricants i.e. there is no rate per kilometre paid in such instances. Councillor Bowell's letter is attached at [\(Appendix H\)](#).

In regard to the reimbursement where Councillors use their own vehicle (e.g. to and from meetings in the Shire), the current rate paid is 65c per km (vehicle > 2.5 litre) or 57c per km (vehicle < 2.5 litre). By comparison the current staff award rate for use of private vehicles is 62c and 54c.

### Sections 2 and 3 - Telephone, Sustenance and Accommodation allowances

There are some areas of our policy, particularly payment of allowances e.g. telephone \$70.00 per month and sustenance

\$85.00 per day that may need to be reviewed in light of comments by the Department officers and it was hoped that the guidelines would clarify these matters. These sections can be reviewed again when the guidelines are eventually received.

## REPORT IMPLICATIONS:

- *Environmental*

*Nil.*

- *Social*

*The public exhibition of this policy provides the openness to the community in what is reimbursed to the Mayor and Councillors and allows input.*

- *Economic (Financial)*

*Payment of expenses to the Mayor and Councillors are provided for under the budgets for Elected Member Services.*

- *Policy or Statutory*

*Council is required to comply with section 252 of the Local Government Act in adopting or amending a policy on the payment of expenses and provision of facilities to the Mayor and Councillors. Council is required to adopt a policy within 5 months after the end of each year.*

- *Directors Review*

*Council's attention is drawn to the Department's advice via Circular 04/60 that "The policies should not include a general expense clause". Council may need to review the Policy upon release of the pending guidelines.*

## RECOMMENDATION:

1. That Council give 28 days public notice of its intention to adopt its existing Policy "Payment of Expenses and Provision of Facilities to the Mayor and Councillors", and submissions thereon be invited.
2. That the Policy be reviewed upon receipt of the guidelines from the Department of Local Government.

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**G B Snape**  
**DIRECTOR CORPORATE SERVICES**