



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

12th December 2006

DCCS6 POLICY – PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO THE MAYOR AND COUNCILLORS
FILE: 276 PJH {Folio No. *} }

This report was deferred from 12th November meeting resolution 2006.740.

SUMMARY:

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



DESCRIPTION:

Council at the September meeting deferred the review of its policy C24:4 - Payment of Expenses and Provision of Facilities to the Mayor and Councillors following advice that the guidelines for the policy had been received from the Department of Local Government (DLG).

The guidelines had been in preparation for over 12 months and have involved extensive consultation between the DLG and the Local Government and Shires Association.

A copy of the guidelines has been attached at [\(Appendix D, Part 1, Part 2, Part 3\)](#).

In its circular forwarded with the guidelines the Department states that Councils must comply with these guidelines when preparing and adopting its policy.

Key areas of guidelines

The advice in the Department circular and also in the guidelines is that policies must not include general expense or allowance clauses. All expenses payments must be either reimbursed after the event or reconciled if an advance payment is made. Amounts paid must relate to actual expenses incurred unless they exceed the limits imposed by Council.

Our existing policy incorporates payment of an allowance for telephone and accommodation/sustenance and this will need to be reviewed in light of this advice.

The guidelines provided however do not provide model clauses or set limits on expenses. It is for each Council to determine specific expense

limits and level of provision of equipment to suit their needs and ability to afford them.

A suggested outline format for a policy has been provided and Councils have been encouraged to use this format. This format has been incorporated in a new draft policy prepared that is based on the guidelines.

Our existing policy is shown attached at [\(Appendix E\)](#).

A new draft policy based on the guidelines has been prepared and is attached at [\(Appendix E\)](#).

Setting of expense limits

The draft policy has a number of amounts related to expense limits that have been deliberately not included. These are shown in the new draft policy as **"To be set by council"**. The limits that need to be set by Council and inserted in the draft policy are shown in the following table: -

A comment on each is provided for guidance.

Section	Purpose	Comment
2.6(2) Travel	Set kilometre rate for use of Councillors own vehicles	Old policy used 65c (>2.5L) & 57c (<2.5L). Staff award rates are 62c & 54c. Tax office acceptable rates are:- 55c (<1.6L) 66c (1.6-2.6L) 67c (>2.6L)
2.7(5) Accom.	Set accommodation limit when reimbursement for Clrs required.	Old policy had \$270 (cities) & \$190 (towns) & these would seem a reasonable upper limit.
2.7(6) Meals	Set limit for reimbursement of meal expenses.	Old policy had \$85.00 per day allowance. Setting a limit may need to be above this.
2.7(8) Expenses	Set a daily limit for out of pocket expenses.	This would cover taxi, parking, internet when away.
2.8(1) Telephone	Set monthly limit for calls on home & mobile phones.	Old policy had \$70.00 per month allowance. Claims will now have to be reconciled from telephone accounts.
2.8(2) Facsimile	Set monthly limit on cost of facsimile use.	Council sets up fax lines for councillors & these are in council's name. A limit would need to allow for line rental, faxes & any calls. A limit would mean anything in excess of it to be reimbursed by the councillor.
2.10(2) Internet	Set monthly limit for cost of internet use	Each councillor's laptop is set up for 200mb per month @ \$28.50. Excess usage charge over this is 11c/mb.
2.13(3) Mayor's mobile	Set monthly limit for cost of calls.	Old policy allowed for the Mayor to have a mobile phone with all costs paid. A

phone		limit needs to be included to comply with guidelines. Costs on the Mayor's mobile in the last few years have been around \$100.00 per month.
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The guidelines are very clear that limits must be set in policies so as to identify to the public the maximum expected cost of providing facilities to councillors.

Public Exhibition required for 28 days

The new draft policy must be advertised for 28 days, inviting public submissions, and Council must consider any submissions before adopting its policy. It is proposed that the new draft policy be advertised from Tuesday 21st November 2006 and submissions be considered by Council at its January meeting.

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.

The 2006-2007 budget makes the following provisions:-

Travelling and subsistence - \$34,000

Delegates Conference & Seminar Exps - \$30,000

- *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 also required to adopt a policy within 5 months after the end of each year i.e. by 30th November. The Department however, due to the guidelines only just being released, have given Councils until 28th February 2007 to have a new policy finalised.

- *Director's Review*

The recommendation is supported.

RECOMMENDATION:

1. That Council determine the expense limits to be included in the draft policy C24:4 - Payment of Expenses and Provision of Facilities for the Mayor and Councillors, in the following sections:-
 - (a) cents per kilometre rate for councillor private vehicle use
 - (b) accommodation reimbursement limits for city & country accommodation venues
 - (c) daily limit for reimbursement of meal expenses
 - (d) daily limit for reimbursement of out of pocket expenses
 - (e) monthly limit for reimbursement of telephone calls from home and mobile phones of councillors
 - (f) monthly limit for cost to council of facsimile equipment
 - (g) monthly limit for internet use (downloads).
 - (h) monthly limit for cost of calls on mayor's mobile phone

2. That the new draft policy incorporating the expense limits be placed on public exhibition for 28 days.

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DIRECTOR CORPORATE & COMMUNITY SERVICES