



DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

11th September 2007

DCCS4	POLICY – PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO THE MAYOR AND COUNCILLORS
	FILE: 276 PJH {Folio No. *}

SUMMARY:

To advise Council of updated guidelines affecting Council's Policy on Payment of Expenses and Provision of Facilities to the Mayor and Councillors and additional annual reporting requirements arising from this policy.

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DESCRIPTION:

In September 2006 the Department of Local Government (DLG) released guidelines for the payment of expenses and the provision of facilities to mayors and councillors. Each Council was required to review and amend their existing policies to comply with the guidelines.

Kempsey Shire Council's amended policy was adopted at its meeting on 13 February 2007 after a 28 day exhibition period.

Updated guidelines released by DLG

In May 2007 the DLG released updated guidelines containing changes to reporting provisions and other matters via DLG circular 07/22, a copy of which is attached at [\(Appendix C – Page J3\)](#). The changes are summarised as follows: -

Reporting requirements

From the 2006 - 2007 year councils are required to report separately (in their annual reports) on:

- Cost of dedicated office equipment allocated to councillors such as laptop computers, mobile phones, telephones and fax machines and internet
- Cost of phone calls including mobiles, home landlines, fax and internet services
- Conference and seminar expenses
- Training and skill development expenses
- Interstate travel expenses
- Overseas travel expenses
- Carer and other related expenses

These new reporting requirements are set out in amended clause 217 of the Local Government (General) Regulation.

Reconciling of expenses

The new guidelines clarify procedures for reconciliation of out of pocket expenses for councillors and states:

- Reasonable out of pocket or incidental expenses associated with councillors attending conferences, seminars or training courses may be reimbursed provided that established reconciliation procedures are followed e.g. the completion of a claim form that itemises the costs.

This clarification allows for reimbursement if the expenses are itemised on a claim form without it being necessary to produce a receipt for each item. Individual councils can determine the means of these reimbursements. It is recommended that this Council adopt a means whereby reimbursements may be made with or without a receipt provided the out of pocket expenses are itemised on council's claim form. While a tax invoice receipt is still the preferred method from an accounting perspective so that the GST can be claimed, it is been recognised that for small expenses obtaining a tax receipt is not always practical.

Legal expenses by councillors

The updated guidelines provide for an additional clause that should be included in policies stating that legal assistance will not be provided in respect of legal proceedings initiated by the mayor and / or councillors in any circumstances.

Amended policies not required to be advertised

The DLG have stated in the advice that provided Council's have already advertised their expenses and facilities policies for the 2006 - 2007 year that are based on the first version of the guidelines that re-advertising is not required.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

The previous public exhibition of this policy and reporting in open council has provided the openness to the community in what is going to be reimbursed to the Mayor and Councillors and allows input.

- *Economic (Financial)*

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

The 2007 - 2008 budget makes the following provisions:-

Travelling and subsistence - \$34,500
Delegates Conference & Seminar Expenses - \$32,000

▪ *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 required to adopt its policy within 5 months after the end of each year i.e. by 30th November.

The reporting requirements in relation to expenses incurred by the mayor and councillors is to be in accordance with clause 217 of the Local Government (General) Regulation.

• *Directors Review*

The recommendation is supported.

RECOMMENDATION:

- 1. That the council policy C24:4 – Payment of Expenses and provision of facilities to the Mayor and Councillors be amended in accordance with the updated Department of Local Government guidelines.**
- 2. That Council note that the re-advertising of this policy is not required.**

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G B Snape
DIRECTOR CORPORATE & COMMUNITY SERVICES