

Policy



Payment of fees, expenses and provision of facilities for chairperson and councillors

Approved by Council: ##/##/2022

To fix the annual fee for the Chairperson and councillors and outline the expenses that can be incurred and facilities provided to councillors to assist in the discharge their civic duties as members of the governing body of Rous County Council.

Safety

Teamwork

Accountability

Respect

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Background

The provision of expenses and facilities enables councillors to fulfil their civic duties as the elected representatives of Council. Similarly, the payment of an annual fee to the Chairperson and Councillors recognises the commitment and high ethical and professional standard expected of elected representatives in discharging their civic duties.

The community is entitled to know the extent of these fees and expenses, as well as the facilities provided. To ensure accountability and transparency is maintained, this policy establishes:

- The annual fee payable to the Chairperson and Councillors
- The expenses that can be incurred and reimbursed (including dollar limits) and facilities available to Councillors
- the process for application, approval, reconciliation and reimbursement (where applicable).

The policy has been prepared in accordance with the *Local Government Act 1993* (the Act) and *Local Government (General) Regulation 2005* (the Regulation), and complies with the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Councillors in NSW.

Policy statement

1. Key policy principles

1.1 Accessibility

In accordance with the principles of equity and inclusion, councillors with accessibility needs will be provided with the aids, equipment and assistive technology they require to effectively perform their civic duties.

1.2 No general expense allowance

In accordance with the requirements of the *Local Government (General) Regulation 2005* Council does not provide councillors with a general expense allowance. A general expense allowance is a sum of money paid by Council to a councillor to expend on an item or service that is not required to be receipted and/or otherwise reconciled accorded to a set procedure and within a specified timeframe.

1.3 Access to and use of expenses and facilities – only incidental and private benefit allowed

Council resources (for example, property, official services and facilities) must be used ethically, efficiently and carefully. They must not be used for private benefit or gain or personal interest including but not limited to: a councillor's re-election, a political party event or activity. Councillors must avoid any action or situation that could create the appearance that council resources are being used inappropriately.

Councillors must not obtain more than an incidental private benefit under this policy. Incidental private benefit is not subject to compensatory payment back to Council.

Benefits received under consumer loyalty programs or other incentive bonus schemes (such as 'frequent flyer' schemes), where the rewards are convertible directly or indirectly to money, are considered to be a non-incidental private benefit. Where any non-incidental private benefit occurs, reimbursement to Council to the estimated value of the private benefit is required. This is calculated at the estimated private use percentage versus business use percentage.

1.4 Giving of gifts and benefits – only token value

Where it is appropriate for a councillor to give a gift or benefit while on official business of Council (for example, on a Council business related trip or when receiving visitors), these gifts and benefits must be of token value only (refer to Council's Code of Conduct for definition of 'token value').

2. Annual fees

2.1 The *Local Government Act 1993* provides that a council must pay each councillor an annual fee. The chairperson must also be paid an annual fee in addition to the fee paid to the chairperson as a councillor.

2.2 In both instances council may fix the annual fee and, if it does, it must fix the annual fee in accordance with the appropriate determination of the Local Government Remuneration Tribunal. The Tribunal is required to make a determination by no later than 1 May each year.

2.3 Council has fixed the annual fee payable to the chairperson and councillors at 100% of the maximum determined by the Local Government Remuneration Tribunal.

3. Superannuation

- 3.1** Council will make a superannuation contribution payment to the superannuation account nominated by the Councillor with, and at the same intervals as, the annual fee that is payable to the Councillor.
- 3.2** The amount of the superannuation contribution payment will be the amount Council would have been required to contribute under the Commonwealth Superannuation legislation if the Councillor were classed as an employee (**Note:** A Councillor is not to be taken as an employee of Council because they receive a superannuation contribution payment).
- 3.3** Council will not make a superannuation contribution payment –
- a) unless the council has previously passed a resolution at an open meeting to make superannuation contribution payments to its councillors, or
 - b) if the councillor does not nominate a superannuation account for the payment before the end of the month to which the payment relates, or
 - c) to the extent the councillor has agreed in writing to forgo or reduce the payment.

4. Monetary limits – expenses

Expense - description	Monetary limits	Who can approve the expense?	What will be provided?
Carer	\$1,000 (excl. GST) per councillor, per financial year.	General Manager.	<p>Reimbursement for reasonable care arrangements to allow the councillor to attend official business of Council.</p> <p>Includes reimbursement up to one hour before and after the scheduled start and conclusion of the official business of Council.</p> <p>Reimbursement may be provided for childcare expenses (of the councillor's children up to and including the age of 16 years), care of the elderly, disabled and/or sick immediate family members for whom the councillor has carer responsibilities.</p>
Legal	Level 1: ≤ \$5,000 (excl. GST) per councillor, per financial year.	General Manager.	<p>Council may provide reimbursement or indemnify a councillor for reasonable costs properly incurred:</p> <ul style="list-style-type: none"> • For legal proceedings being taken against them in defending an action arising from: <ul style="list-style-type: none"> - The performance of good faith of a function of a county councillor; or - Defending an action in defamation. • For an inquiry, investigation or hearing into a councillor's conduct by an investigative or review body, including: <ul style="list-style-type: none"> - Local Government Pecuniary Interest and Disciplinary Tribunal - Independent Commission Against Corruption - NSW Ombudsman - Office of Local Government - NSW Police Force - Director of Public Prosecutions - Council's Conduct Review Committee/Reviewer,
	Level 2: > \$5,000 (excl. GST) per councillor, per financial year.	Council's indemnity protection provider (in consultation with the General Manager).	

Expense - description	Monetary limits	Who can approve the expense?	What will be provided?
			<p>provided that:</p> <ul style="list-style-type: none"> (i) The inquiry/hearing arises from the performance of good faith or a councillor's functions and the matter has proceeded to a formal investigation or review. (ii) Code of Conduct complaints: only available where the General Manager has referred the matter to a Conduct Reviewer/Conduct Review Committee to make formal inquiries into a matter in accordance with the procedures in the Code of Conduct. (iii) Pecuniary interest or misbehaviour matters: only available where a formal investigation has been commenced by the Office of Local Government. (iv) Where the investigative or review body makes a finding that is not substantially unfavourable to the councillor (eg. does not proceed to a finding, an inadvertent minor technical breach).
Official business of Council – excluding professional development	Level 1: ≤ \$500 (excl. GST) per councillor, per financial year.	General Manager.	<p>The councillor's direct expenses to attend, including (where applicable):</p> <ul style="list-style-type: none"> • ticket/registration • travel • accommodation • meals • incidentals.
	Level 2: > \$500 (excl. GST) per councillor, per financial year.	Resolution of Council (as a consequence of an appointment to a council committee for the term of the appointment (for attendance at committee meetings, etc.).)	
	Level 3: > \$500 (excl. GST) per councillor, per financial year.	Resolution of Council.	

Expense - description	Monetary limits	Who can approve the expense?	What will be provided?
Official business of Council – professional development	Level 1: ≤ \$2,500 (excl. GST) or less per councillor, per financial year.	General Manager.	The councillor's direct expenses to attend, including (where applicable): <ul style="list-style-type: none"> • ticket/registration • travel • accommodation • meals • incidentals.
	Level 2: > \$2,500 (excl. GST) per councillor, per financial year.	Resolution of Council.	

NOTE: Councillors may only receive reimbursement for expenses and access and use facilities as set out in this policy.

5. Provision of facilities

The Chairperson will be provided access to a Council office (equipped with a telephone, photocopier, facsimile machine and secretarial/administrative support services).

Councillors may access printing and secretarial/administrative support services on request, where it can be demonstrated that it is related directly to official business of Council.

6. Procedures

6.1 General rules

All bookings for official business of Council will, wherever possible, be paid for or reimbursed in accordance with relevant limits. These limits include:

- Any monetary limits listed in part 2 of this policy
- kilometre allowance under the Local Government (State) Award or airfare rate, whichever is the lower
- ATO 'Reasonable Travel and Meal Allowance Expenses' Determination applicable for the date of travel.

6.2 Pre-purchasing

Bookings and payments for tickets/registration, accommodation and travel relating to official business of Council must, wherever possible, be coordinated through the Executive Secretary or Executive Support Officers.

All requests to attend official business of Council must be made using the 'Councillor request for attendance at official business of Council' form.

6.3 Advance payment

Advance payment for meals and incidentals is available by EFT provided that a completed 'Vendor payment request form' has been lodged with sufficient notice to allow for the preparation of the advance (minimum two weeks).

6.4 Reimbursement

Reimbursement will only be made:

- (a) in accordance with the general rules listed at part 4.1 of this policy;
- (b) on lodgement of a completed 'Request for reimbursement' form within three months of the cost or expense being incurred (unless otherwise required by this policy) and accompanied by:
 - i. itemised account of the expenditure; and
 - ii. valid GST receipts.

For periods of less than a full year, for example, after a local government election, the reimbursement per councillor will be calculated on a pro rata basis.

6.4.1 Meals

Meals that are not included in the official business of Council will be reimbursed subject to the conditions outlined at part 4.1 of this policy and the production of a signed statutory declaration outlining the expenses (where valid GST receipts are unavailable).

6.4.2 Incidentals

Reasonable out of pocket expenses or incidental travel expenses incurred (such as telephone calls, facsimile calls, internet charges, taxi fares, parking fees, tolls etc.) will be reimbursed subject to the conditions outlined at part 4.1 of this policy and the production of a signed statutory declaration outlining the expenses (where valid GST receipts are unavailable).

6.4.3 Use of private vehicles

Travel to official business of Council in a private vehicle will be reimbursed in accordance with part 4.1 of this policy.

Note 1: *All travel relating to official business of Council must be undertaken using the most direct route and most practicable and economic mode of transport, subject to any personal and medical considerations.*

Note 2: *If travelling to official business of Council, every attempt should be made to car pool with other councillors or Council staff.*

Note 3: *The driver is personally responsible for all traffic or parking fines incurred while travelling in private or Council vehicles.*

6.4.4 Carer

Reimbursement for carer expenses may be provided on completion of the 'Request for reimbursement' form and statutory declaration. The following information is to be included in the statutory declaration:

- (a) official business of Council attended
- (b) individual requiring care
- (c) duration care was provided, and cost.

7. Dispute resolution

Should a dispute arise under this policy including the dispute regarding the approval or rejection of a claim, then the dispute should be reviewed by the chairperson. A report regarding the review and outcome must be put to the next full Council meeting.

8. Reporting

8.1 Councillor reports

Where a Council staff member does not attend the official business of Council, the councillor must prepare a report for Council detailing highlights, particularly noting aspects relevant to Council business and/or the community. This report is to be included in the next Council business paper following attendance at the official business of Council.

8.2 Quarterly budget review statement report

Any expenses provided to a councillor will be reported in the quarterly budget review statement report to Council.

8.3 Annual report

The General Manager will provide a summary of all expenses and facilities provided under this policy in Council's Annual Report.

Definitions

ATO means Australian Taxation Office.

Commonwealth Superannuation legislation means the *Superannuation Guarantee (Administration) Act 1992* (Cth)

Constituent council means Ballina Shire Council, Byron Shire Council, Lismore City Council and Richmond Valley Council

Council means Rous County Council

Expenses means payment or reimbursement by Council for reasonable costs or charges associated with the performance of a councillor's civic duties. Expenses are separate and in addition to annual fees.

Facilities means equipment or services provided by Council to councillors to enable them to perform their civic functions with relative ease and at a standard appropriate to their role as councillors.

Official business of Council means functions that the chairperson or councillor are required, invited, or requested to attend to fulfil their obligations as Council representatives and/or have a direct benefit to Council including but not limited to:

- (a) Council meetings and Council committee meetings
- (b) meetings of committees facilitated by Council (for example, section 355 committees)
- (c) meetings, functions, workshops and other events to which attendance by a councillor has been requested or approved
- (d) receptions hosted or supported by Council (for example, Council's Christmas celebration or equivalent functions; charitable functions formally supported by Council)
- (e) professional development.

Professional development means a seminar, conference, training course or other development opportunity relevant to the role of the chairperson or councillor.

Valid GST receipt means an original tax invoice or receipt for an expense that meets the requirements of *A New Tax System (Goods and Services) Tax Act 1999*.

Contact officer

General Manager.

Related documents

Policies

Not applicable.

Procedures

Not applicable.

Legislation

Local Government Act 1993.

Other

Code of Conduct.

Code of Conduct Procedures.

Councillor Induction and Professional Development Guide (2012).

Guidelines for the payment of expenses and provision of facilities for mayors and Councillors in NSW, Office of Local Government (October 2009).

Local Government (State) Award.

No excuse for misuse: Preventing the misuse of council resources, Guidelines: 2, Independent Commission Against Corruption (November 2002).
Office of Local Government Circulars and Guidelines.

Office use only	File no.: 172/13	Next review date: 4 years.	
Version	Purpose and description	Date adopted by Council	Resolution no.
10.0	New layout; revised provisions relating to professional development.	19/04/2017	31/17
11.0	Reviewed and updated to include the fixing of the annual fee and payment of superannuation to Councillors	17/08/2022	TBD