

Policy Title: EXPENSES REIMBURSEMENT AND PROVISION OF FACILITIES FOR MAYOR AND COUNCILLORS POLICY

Policy Subject: Governance
Policy No: #858978 v18

Directorate: Organisational Services
Department: Governance & Customer Service
Section: Governance

Responsible Officer: Executive Manager Governance and Customer Service
Authorised by: Director Organisational Services

Adopted Date: 01/10/2008
Review Date: 27/07/2020
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Risk Assessment: High

PURPOSE

The purpose of this policy is to authorise the payment of reasonable expenses incurred, or to be incurred, by Councillors; and provide facilities, including administrative support staff, to assist Councillors to discharge their duties and responsibilities, having regard to local circumstances.

PRINCIPLES

This policy has been written to be compliant with the *Local Government Principles* as referenced in s4(2) of the *Local Government Act 2009*. The Principles are as follows:

- (a) *Transparent and effective processes, and decision-making in the public interest; and*
- (b) *Sustainable development and management of assets and infrastructure, and delivery of effective services; and*
- (c) *Democratic representation, social inclusion and meaningful community engagement; and*
- (d) *Good governance of, and by, local government; and*
- (e) *Ethical and legal behaviour of councillors and local government employees.*

Council has considered what is reasonable and fair in the preparation of this Policy, given the size and complexities of Councillors' responsibilities. Councillors should not be financially disadvantaged when carrying out the requirements of the role of Councillor and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations. Conversely, Councillors claiming reimbursement of expenses or utilising Council facilities or administrative services must not gain a private benefit.

Facilities and resources provided to Councillors by Council are for the sole use of Councillors in undertaking their duties and must be used responsibly and appropriately. Spouses, partners and family members of Councillors are not entitled to reimbursement of expenses or to have access to facilities allocated to Councillors.

This policy and the process of approval ensure there is accountability and transparency in the reimbursement of expenses incurred, or to be incurred, by Councillors.

POLICY SCOPE

This policy applies to the Mayor, Deputy Mayor and Councillors and is made pursuant to Section 249 of the *Local Government Regulation 2012*.

When adopted by resolution of Council, the policy authorises the:

- payment of reasonable expenses incurred, or to be incurred, by Councillors; and
- provision of facilities, including administrative support staff, to assist Councillors in discharging their duties and responsibilities.

The payment and/or reimbursement of expenses and the provision of facilities for Councillors must only be for the actual cost of legitimate business use and be:

- open and transparent, prudent, responsible, acceptable to the community and in accordance with statutory requirements;
- based on ensuring economy and efficiency; and
- subject to budget provisions.

DEFINITIONS**Approved:**

Means approved by Council resolution.

Councillors:

Includes the Mayor, Deputy Mayor and other Councillors, unless specifically identified.

Expenses:

Expenses are payments reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by Council for something that is deemed a necessary cost or charge. Expenses are not included as remuneration.

Administrative Note:

All expenses are exclusive of GST, unless otherwise stated.

Facilities:

Facilities provided to Councillors are the “tools of trade” required to enable them to perform their duties with relative ease and at a standard appropriate to fulfil the community expectation of their role.

Official Council Business:

Activities conducted by a Councillor that are required to satisfy legislative requirements or achieve business objectives for the Council. Official Council business should result in a benefit being achieved either for the local government and/or the local community. This includes, but is not limited, to the following activities:

- Attendance at Council and Committee meetings;
- Attendance at prescribed Local Government training/workshops and conferences;
- Attendance at civic ceremonies and community events where a formal invitation has been received inviting Councillors in their capacity to undertake official duty;
- Attending public meetings, annual meetings, community meetings, organised/official events or presentation dinners where invited as a Councillor;
- Attending meetings of community groups where invited to speak about Council programs or initiatives;
- Attending private meetings with constituents about Council strategies, programs or initiatives;
- Attending civic reception functions on behalf of the Mayor; and
- Attending organised meetings, inspections and community consultations pertaining to Council responsibilities.

Private Use of Council Vehicle:

Use of a Council vehicle for other than official Council business is private use. For the purposes of this policy only, private use does **not** include:

- Travel between a Councillor's home and the official Council business;
- Any incidental deviations from the direct travel route where the distance travelled is not material (eg a Councillor who is attending official Council business could stop en route at the corner store, provided that the Councillor does not make a significant deviation from the most direct route).

The home garaging of the Council vehicle is permitted.

Professional Development Activities:

Professional development activities include activities undertaken by Councillors to improve their understanding, competence and knowledge of matters that specifically relate to local government functions, or to improve their competence and knowledge of matters that will assist them in carrying out their role as a Councillor.

Examples of professional development include (but are not limited to): Local Government industry training, conferences, workshops, seminars or specific events that are relevant to a Councillors role; or that are relevant to the development of a Councillor's individual knowledge and competence in conducting their role.

Reasonable:

Council must make sound judgments and consider what is prudent, responsible and acceptable to the community when determining reasonable levels of facilities and expenditure.

POLICY CONTENT

Commencement

Fraser Coast Regional Council's *Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy* is effective immediately upon adoption by Council.

In accordance with s251 and s252 of the *Local Government Regulation 2012*, as soon as practicable after Council adopts or amends the policy, a copy of the policy must be made available for inspection and purchase by the public at Council's public office. In addition, the policy must be published on Council's website. Council's consideration of adoption or amendment to the policy must be conducted in an open session at an Ordinary Meeting.

Limitation

This policy deals with reimbursement of expenses and provision of facilities to Councillors but does not apply to remuneration of Councillors.

Payment of Expenses

Expenses will be paid to Councillors through administrative processes approved by Council's Chief Executive Officer subject to:

- the limits outlined in this policy; and
- relevant approval process eg Council endorsement by resolution; Mayor or Chief Executive Officer approval.

Expense Categories

Divisional Offices	Councillors are entitled to reimbursement of an amount of \$800.00 per annum to assist with office hire and/or bookings of space for a Divisional Office. Councillors are required to provide documentary evidence expenditure to claim the reimbursement.
Fuel Costs	Fuel for Council owned vehicles used for official Council business will be provided or paid for by Council.
Insurance Cover	Council will indemnify or insure Councillors in the event of injury sustained while discharging their civic duties. Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.
Out of Pocket Expenses	Councillors are entitled to reimbursement of reasonable out of pocket expenses incurred in the conduct of official Council business. The maximum amount of out of pocket expenses (<i>excluding reimbursement of expenses for professional development and as approved by Council</i>) that may be claimed is:

	<ul style="list-style-type: none"> ▪ Mayor \$2,000 per annum. ▪ Councillors \$750 per annum. <p>Non-Council related expenditure or expenditure in relation to partners, spouses or family members is not permitted.</p> <p>In order to comply with s186 of the <i>Local Government Regulation 2012</i>, which requires Council to publish expenses incurred by each Councillor during the year under Council's <i>Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy</i> in its Annual Report, Councillors incurring hospitality expenses are required to maintain documentary evidence of all such expenditure which will be recorded in a register maintained by the Chief Executive Officer on a monthly basis.</p> <p>Where any conflict exists between this policy and Council's Entertainment and Hospitality Policy, this policy will take precedence.</p> <p>Councillors' expenses will be reported in Council's Annual Report.</p>
Professional Development	<p>Council will reimburse expenses incurred for:</p> <ul style="list-style-type: none"> ▪ Expenses incurred in attending approved conferences to be refunded within the Elected Members' budget for the financial year; ▪ Council will meet registration fees together with reasonable travel, accommodation and sustenance expenses for attendance at approved professional development and discretionary development activities, subject to the annual budget allocation. ▪ Personal professional development must be endorsed by the Mayor and/or the Chief Executive Officer. ▪ A budget of \$6,000 will be available to each Councillor each financial year to cover costs associated with a Councillors professional development. This budget allowance is inclusive of travel, meals, accommodation and other reasonable costs associated with the professional development activity. ▪ Expenses related to a Councillor attending a seminar or conference activity as a nominated Council representative will not reduce the professional development budget available for the Councillor. ▪ A Councillor who has expended their professional development budget must apply to the CEO to attend any additional professional development activities.
Provision and private use of Council owned facilities	<p>All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.</p> <p>Based on the principle that <i>no private benefit is to be gained</i>, the facilities provided to Councillors by Council are to be used only for official Council business unless prior approval has been granted by resolution of Council.</p>
Telephone or Data	<p>Councillors are entitled to reimbursement of an amount of \$240.00 per annum for costs associated with maintaining telephone landline and data</p>

	<p>connection at their home. Councillors are required to provide documentary evidence expenditure to claim the reimbursement.</p>
<p>Travel Required to Represent Council</p>	<p>All travel to represent the Council must be approved by the CEO prior to any expenses being incurred. Councillors are to travel via the most direct route, using the most economical and efficient mode of transport. Councillors' private vehicle usage may be reimbursed by Council if the total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.</p> <p>Council will pay for reasonable expenses incurred for overnight accommodation when a Councillor is required to stay outside the local government's region.</p> <p>Overseas Travel Overseas travel can only be approved by a Council resolution.</p> <p>Accommodation All Councillor accommodation for official Council business will be booked and paid for by Council. Council will pay for the most economical deal best suited to the needs of Council business. Where possible, the maximum standards for Councillors' accommodation should be 4 star rating.</p> <p>Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.</p> <p>Incidental Costs Council will reimburse any reasonable incidental costs incurred by Councillors required to travel, and who are away from home overnight, for official Council business upon provision of receipts.</p> <p>Meals Council will reimburse reasonable costs of meals and refreshments for a Councillor when:</p> <ul style="list-style-type: none"> ▪ the Councillor incurs the cost personally; and ▪ the meal was not provided: <ul style="list-style-type: none"> ○ within the registration costs of the approved activity/event; ○ during an approved flight. <p>Private Vehicle Usage Councillors' private vehicle usage for travel to represent Council may be reimbursed by Council if:</p> <ul style="list-style-type: none"> ▪ the travel has been endorsed by Council resolution; ▪ the claim for mileage is substantiated with log book details; and ▪ the total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers. <p>Travel Bookings All Councillor travel, approved by Council, will be booked and paid for by Council.</p>

	<p>Economy class is to be used where possible although the CEO and/or Mayor may approve business class if the particular circumstances warrant it.</p> <p>Airline tickets are not transferable and can only be procured for the Councillor's travel on official Council business. They cannot be used to offset other unapproved expenses (eg cost of partner or spouse accompanying the Councillor).</p> <p>Frequent Flyer points or other loyalty program benefits accrued on Council business must not be used for personal travel and, where possible, should be utilised to offset future Council travel expenses.</p> <p>Travel Transfer Costs Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed eg trains, taxis, buses and ferry fares.</p> <p>Cab Charge vouchers may also be used where Councillors are required to undertake duties relating to the business of Council.</p>
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Facilities Categories

Administrative Tools	<p>Councillors are entitled to use Council facilities as required to assist in discharging their duties and responsibilities including (but not limited to):</p> <ul style="list-style-type: none"> ▪ shared office space and meeting rooms ▪ computers ▪ stationery ▪ shared access to photocopiers ▪ printers ▪ facsimile machines ▪ publications ▪ use of Council landline telephones and internet access in Council offices ▪ secretarial support
Car Parking Amenities	<p>Council will provide Councillors with:</p> <ul style="list-style-type: none"> ▪ car parking at the local government office premises and/or ▪ reimbursement of parking costs paid by Councillors while attending to official Council business.
Corporate Credit Card	<p>The Mayor will be provided with a corporate credit card for business expenses in accordance with this Policy.</p>
Identity/Access and Name Badge	<p>Councillors will be entitled to receive:</p> <ul style="list-style-type: none"> ▪ an identity/access card ▪ a name badge

IT Equipment	Councillors are provided with the following IT equipment to assist in discharging their duties and responsibilities:- <ul style="list-style-type: none"> ▪ Tablet (Ipad) or Laptop ▪ Smartphone (Iphone) ▪ Printer
IT Equipment: Private Use	Councillors are authorised for reasonable private use of Council owned telecommunication devices.
Maintenance Costs of Council Owned Equipment	Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council-owned equipment that is supplied to Councillors for official business use.
Parking in Regulated Areas	<p>All Councillors will be issued with a sticker to place on their Council vehicle to allow them to park in regulated parking areas throughout the region without attracting a penalty notice. Councillors are however, requested to only park in areas that are not a loading zone, disability zone etc.</p> <p>A Hervey Bay Airport Parking Card will also be provided to Councillors for parking within the regulated parking area at the Hervey Bay Airport.</p>
Safety Equipment	Council will provide all the necessary safety equipment for use on official Council business eg safety helmet/boots.
Vehicles: Private Use	<p>Councillors are authorised for private use of Council-owned motor vehicles on one of the following method:</p> <p>Log Book Method Councillors are to reimburse Council for the private use of Council owned vehicles based on an annual log book assessment over a period of 12 weeks. Reimbursement to be based on the relevant Australian Tax Office published rate for the vehicle type.</p> <p>Annual Cost Method In lieu of keeping a vehicle log and paying for private use based on actual kilometres, Councillors may purchase the rights to private use of Council vehicles by paying an amount equal to 10% of the total annualised average cost of the vehicles. This cost will be reviewed annually to take effect in July each year in line with the Community and Private Use of Vehicles Policy. (as of 1 July 2019 cost will be \$1,120.96 pa for passenger vehicles and \$1,183.03 pa for Light Commercial, including 4*4, all paid fortnightly).</p>
Vehicles: Council Vehicles	Councillors may have access to a Council vehicle for official Council business.
Vehicles: Private Vehicles	<p>Councillors will be reimbursed for private vehicle usage on official Council business on the following terms and conditions:</p> <ul style="list-style-type: none"> ▪ Based on a claim for mileage substantiated by log book;

- Reimbursement calculations based on the relevant Australian Tax Office published rate for the vehicle type; and
- Provision of Councillor Reimbursement Claim by way of template DOC #846833 to the Chief Executive Officer on a monthly basis.
- Claims for business use of private vehicles will be limited to a maximum of 20,000 km per annum.

Claims for Reimbursement

All claims for reimbursement of expenses will be made on the approved form and submitted with original receipts to the Office of the CEO. Claims certified by a Councillor as complying with this policy will be authorised for payment by the Chief Executive Officer. Claims must be presented within 3 months of incurring the expense and claims will be paid on a monthly basis.

Councillors accept full responsibility for the accuracy of each claim

Failure to comply with this policy, falsifying claims or logbooks or the misuse of facilities may breach the Councillors' Code of Conduct and/or represent an offence under the Criminal Code and may be referred to the Crime and Misconduct Commission.

Reporting

A report summarising all expenditure in relation to this policy will be included in the Council's Annual Report.

	Legislation
Reimbursement of Expenses and Provision of Facilities for Councillors	<p>As defined in s250 and 251 of the <i>Local Government Regulation 2012</i> –</p> <p>S250</p> <p>(1) <i>A local government must adopt an expenses reimbursement policy.</i></p> <p>(2) <i>A local government may, by resolution, amend its expenses reimbursement policy at any time.</i></p> <p>S251</p> <p>(1) <i>As soon as practicable after a local government adopts or amends its expenses reimbursement policy, the local government must—</i></p> <p style="padding-left: 40px;">(a) <i>ensure a copy of the policy may be inspected and purchased by the public at the local government's public office; and</i></p> <p style="padding-left: 40px;">(b) <i>publish the policy on the local government's website.</i></p> <p>(2) <i>The price for purchasing a copy of the policy must be no more than the cost to the local government of making the copy available for purchase.</i></p>

Annual Reporting of Councillors' Expenses	<p>As defined in s186 of the <i>Local Government Regulation 2012</i> –</p> <p>(1) <i>The annual report for a financial year must contain particulars of—</i></p> <p>(b) <i>the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy;</i></p>
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RELATED DOCUMENTS:

- DOC #871699 – Options for Private Use of Council Vehicles
- DOC #2221761 – Options for Private Use of Council Telecommunication Devices
- DOC #2313463 – Councillor Private Use of Council Vehicle Declaration
- DOC #846833 – Councillor Reimbursement Claim for Private Vehicle Use
- DOC #846704 – Councillor Private Use of Council Owned Smart Phone Declaration
- DOC #2197919 – Councillor Vehicle Log Sheet
- DOC #2349520 – Statutory Declaration (Annually) that Councillor will not use Council Phone for Private Use
- DOC #1874609 – Direct Payment Request for Councillor Expenses Claim

RELATED LEGISLATION:

Local Government Act 2009
Local Government Regulation 2012

RELATED POLICIES:

FCRC Entertainment and Hospitality Policy
 FCRC Commuter and Private Use of Vehicles Policy