

# COUNCIL EXPENSE AND ADMINISTRATION POLICY

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<b>Approved by:</b>	Council
<b>Date Approved:</b>	7 December 2010
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<b>Applicable to Unit(s):</b>	Councillors (CEO Unit)
<b>Responsible Officer:</b>	General Manager Corporate Services
<b>Related Policies:</b>	Governance Rules Provision of Motor Vehicles for Councillors Policy
<b>Related Documents:</b>	Councillor Expense Claim Form Councillor Travel Expense Claim Form Remote Area Allowance Claim Form Remote Area Allowance Guideline
<b>Statutory Reference:</b>	<i>Carers Recognition Act 2012</i> <i>Charter of Human Rights and Responsibilities Act 2006</i> <i>Local Government Act 2020</i>

## OVERVIEW

The objective of this policy is to define and establish the administrative support, resources and facilities to be provided to Councillors and the entitlements for Councillors and members of Delegated Committees to have necessary out-of-pocket expenses incurred while performing their civic, statutory and policy-making duties as a Councillor or member of a Delegated Committee either reimbursed or paid direct by Council.

Section 41 of the *Local Government Act 2020* ('the Act') provides that a Council must adopt and maintain a policy in relation to reimbursement of expenses of Councillors and members of a Delegated Committee. This policy has been adopted to provide an overview of how assistance and support is provided, as well as appropriate resourcing and facilities to ensure that they can effectively carry out their roles, responsibilities, duties and powers.

Councillors are elected as the representatives of residents and ratepayers, to govern the Shire of Wellington in accordance with the *Local Government Act 2020*. To assist them to perform their role and responsibilities as Councillors they will be provided with administrative support, resources and facilities and be reimbursed for the expenses specified in this policy incurred in carrying out their official Council duties.

This policy provides direction on the provision of specific equipment, services, consumables, financial assistance and reimbursement which the Council will provide to the Mayor and Councillors in carrying out their duties. It cannot prescribe for every possible situation that may arise and makes no attempt to do so. Where a situation is not adequately covered by this policy, the test of a "necessary expense" will be whether it was incurred as a consequence of undertaking duties associated with an individual's elected role. Where this test is satisfied and a Councillor has incurred an expense, this will be reimbursed by the Council.

The Council recognises that any expenses reimbursed should not be excessive and must be related to the actual performance of an individual's civic, statutory and policy making duties.

## Legislative Framework

Section 39 of the *Local Government Act 2020* (the Act) provides for payment of annual allowances to Mayors and Councillors. The allowance framework is determined in accordance by the Victorian

Independent Remuneration Tribunal under the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*. Allowances are taxable income and are paid monthly in advance. Personal taxation implications are the responsibility of individual Councillors. Council is required to increase allowances in accordance with any adjustment factor as prescribed by determinations of the Victorian Independent Remuneration Tribunal.

If a Councillor is appointed to act as Mayor under section 20B for a continuous period exceeding 50 days, the acting Mayor may be paid a Mayoral allowance instead of a Councillor allowance for the period that he or she is acting as Mayor.

A Council must pay a Councillor allowance or Mayoral allowance as specified in the most recent determination of the Victorian Independent Remuneration Tribunal.

A Council does not have to pay an allowance to a Councillor or Mayor who does not want to receive an allowance.

A person is only entitled to receive an allowance while he or she holds the office in respect of which the allowance is payable.

A person elected to be a Councillor is entitled to receive a Councillor allowance from the date the person takes the oath of office under section 30 of the Act.

A Councillor elected to be Mayor is entitled to receive a Mayoral allowance from the date he or she is elected under section 25 of the Act.

There is no provision for a separate allowance in the *Local Government Act 2020* of the position of Deputy Mayor.

The Victorian Government views Councillor allowances 'not as a form of salary, but as some recognition of the contributions made by those elected to voluntary, part time roles in the community'. They are in addition to reimbursements for approved expenses and other support.

Section 40 of the Act provides for the reimbursement of "necessary out-of-pocket expenses incurred" by Councillors while performing their duties as a Councillor.

### **Definition of "Council Duties"**

For the purpose of this Policy, "Council Duties" is the business of the Council, not of a Councillor.

Section 28 refers to the role of a Councillor which means duties performed by a Councillor that are necessary or appropriate for the purposes of achieving the objectives of a Council having regard to any relevant Act, regulations, Ministerial guidelines or Council policies.

Claims may be submitted by Councillors for expenses under this Policy when performing Council Duties. To this extent, Council duties are defined as the following:

- Meetings of the Council or its Committees;
- Meetings, briefing sessions and civic or ceremonial functions convened by the Mayor or the Council;
- Meetings of community groups, organisations and statutory authorities to which a Councillor has been appointed as Council representative or is authorised by Council;
- A meeting, function or other official role as a representative of the Mayor or the Council;
- Other meetings, inspections or events attended by a Councillor in an official capacity;
- Conferences, seminars, events and professional development being undertaken by a Councillor.

As a general rule, it is expected that the Mayor or his/her representative will attend functions or events to represent the Council. On occasions where more than one representative is invited to attend a function or event; reimbursement will be payable provided such attendance by multiple representatives has been endorsed at a preceding Councillor Diary Meeting. In the event that it is not practicable to wait until the next diary meeting endorsement may be sought via email request to which the majority of Councillors have responded in the positive.

The basic test to be applied to determine whether or not an expense is lawfully incurred is whether the expense is related to a clear business need because it is either supplemental to, incidental to, or consequent on the exercise of Council duties.

Where these criteria are satisfied and a Councillor has incurred an out-of-pocket expense, the expense will be paid or reimbursed by the Council.

Note: For all Council business that falls outside the above criteria; a request will need to be submitted on a Councillor Expense Claim Form at the earliest available Councillor Diary Meeting, for consideration and approval by Council. If approved, this then becomes a *Council* duty as opposed to a *Councillor* duty.

Note: Where attendance is agreed to, the Councillor is expected to attend or to nominate a substitute if he/she becomes unable to attend.

## **ALLOWANCES**

Claims are to be submitted where possible but not less than quarterly (by end June, September, December and March). All outstanding claims for the June quarter must be received by no later than ten business days after the end of the financial year. Any claims submitted later than three months after the expense was incurred will not be considered for payment.

Where out of pocket expenses arise as a result of a Councillor being appointed by the Council to an external body, Councillors are requested to seek reimbursement of necessary out of pocket expenses from the governing body rather than Council.

### **Councillor Allowance**

Councillor allowance paid as per section 39 of the Act is not a "salary" or payment for time spent performing Council duties. It is an entitlement due to a Mayor or Councillor (payable monthly in advance) on the basis that they hold the office in respect of which the allowance is payable.

Councillor allowances will be paid at the highest point within the range prescribed for Council, currently Category 2, plus the amount equivalent to the Superannuation Guarantee (currently 9.5%) where applicable.

Allowance reviews are required to take place within the period of six months of a General Election or by the next 30 June, whichever is later. The allowance level determined remains in effect until the time of the next election.

### **Statement of Allowances**

In July annually, Councillors will be provided with a summary statement of allowances paid to them in the previous financial year.

### **Remote Area Allowance**

Where a Councillor (including a Mayor) normally resides more than 50 kilometers by the shortest possible practicable road distance from the location or locations specified for the conduct of ordinary or committee meetings of the Council or any municipal or community functions, he or she

shall be entitled to:

- Be paid an additional allowance of \$40.00 per day, up to a maximum of \$5,000 per annum.

The Remote Area Travel Allowance is classified as Travel Allowance in the Annual Report.

In addition to the conditions set down in the Guidelines, Councillors attending ANZAC Day and Australia Day events on behalf of Council shall be entitled to claim Remote Area Allowance.

*For further information, refer to: **Remote Area Allowance Guidelines***

*To complete a claim, refer to: **Remote Area Allowance Claim Form***

## **REIMBURSEMENTS**

Councillor and Delegated Committee member out-of-pocket expenses are reimbursable as per section 40 of the Act. Out-of-pocket expenses are lawfully incurred only when performing Council Duties (as defined under “Definition of Council Duties” in this Policy).

### **Expenses Reimbursed**

Reimbursement for out-of-pocket expenses may include payment for:

- Attendance at functions;
- Travel;
- Professional Development;
- Use of Communication Technology and Equipment;
- Dependent Care;
- Meals.

### **Submission of a claim for reimbursement**

All claims are to be submitted on the prescribed form, authorised by CEO Executive Assistant and forwarded to the Finance Unit for processing and payment.

Councillors and members of Delegated Committees must ensure that any expense details the following information:

- Number of attendees;
- A clear business reason for claim;
- Parties benefitting from the expense.

All claims should be accompanied by fully accredited receipts / tax invoices for any expenses claimed. If receipts cannot be produced, there may be a requirement for the provision of a statutory declaration.

All claims must include sufficient detail to demonstrate, in accordance with the Act, that the expense for which reimbursement is claimed is a reasonable bona fide out-of-pocket expense while serving a clear business need and incurred while performing the duties of a Councillor or member of a Delegated Committee.

NOTE: Supporting evidentiary documentation will be required for all expense reimbursements and payments.

## **Excluded Reimbursements**

The following expenses cannot be funded or reimbursed by Council:

- Any expense arising from a breach of road, traffic, parking or other regulations or laws;
- Stationery, furniture or equipment additional to that provided for in this policy;
- Damage to or loss of personal possessions;
- Expenses for a partner which are not expressly provided for within this policy;
- Donations, tips or gratuities, gifts, the purchase of raffle tickets, or tickets or entry fees to events, unless attending on behalf of Council;
- Hotel mini bar, inhouse entertainment, room services or similar;
- Alcohol;
- Reading material and personal consumption items such as confectionery, snacks and drinks;
- Expenses incurred by third parties;
- Expenses claimed as a tax deduction; and
- Expenses which are fully or partly recoverable from a third party.

NOTE: Where out-of-pocket expenses arise as a result of a Councillor being appointed by the Council to an external body, Councillors are requested to seek reimbursement of necessary out-of-pocket expenses from the governing body rather than Council.

Payment of allowances and expenses will be paid by Council's Accounts Payable into a nominated bank account.

To ensure transparency and accountability in the payment and reimbursement of expenses to the Mayor and Councillors, a report will be submitted to the Remuneration Committee and Council's Audit and Risk Committee. These reports will then be presented to Council for consideration and adoption.

*To complete a claim, refer to: **Councillor-Delegated Committee Member Travel Expense Claim Form***

## **Attendance at Functions**

From time to time, all Councillors (and often their partners) are invited to social functions which require the payment of an attendance charge. It is usual for the Mayor to represent the Council at these functions with the cost of the Mayor's attendance (including the Mayor's partner, when invited) being met by the Council. Individual Councillors have the option of attending at their own cost. If another Councillor is requested to attend on behalf of the Mayor, attendance costs will also be met by the Council.

## **TRAVEL**

### **Mayoral Vehicle**

The Mayor will be provided with a motor vehicle which is fully maintained by Council for official and personal use during the Mayoral term. The motor vehicle is fully maintained to the standard specified in Council's Motor Vehicle Policy which outlines safety and environmental requirements. A fuel card is provided as part of the Mayoral vehicle package.

If the Mayor of the day elects to use his/her own car, the following will apply:

- The Mayor is responsible for all maintenance of their vehicle;
- A fuel card will be assigned to and provided for their vehicle only;
- The Mayor is responsible for insuring their own vehicle, and it is encouraged that their insurer is advised that their vehicle is being used for business purposes;
- Council will not be responsible for any damage, loss or breakdown that occurs whilst private vehicles are being used for Council purposes;
- Council will not cover or contribute to any insurance excess that may be payable; and
- Council will not be responsible for any infringement notices incurred for road, traffic or parking violations whilst private vehicles are being used for Council purposes or otherwise.

### **Use of Private Vehicles by Councillors**

Councillors are encouraged to consider whether it is appropriate to use their private vehicle and to consider carpooling and public transport before deciding to use their private vehicles to carry out official duties such as attending meetings, conferences, seminars or inspections outside of the municipality to which the Councillor has been appointed as a representative of the Council.

### **Access to a Council Pool Vehicle**

Where requested a Council fleet vehicle may be provided, subject to availability, for Councillors to perform their duties.

Use of a Council vehicle must be in accordance with relevant Council policies including the Driver's Logbook.

Fleet vehicle bookings can be made via the CEO Executive Assistant.

### **Tolls**

While travelling on Council business in metropolitan Melbourne, Councillors may incur tolls including those associated with the use of CityLink or EastLink. Councillors may seek reimbursements of costs associated with tolls including the use of CityLink or EastLink passes or those transaction incurred as part of existing personal e-tags accounts.

Claims must be accompanied by copies of receipts or accounts detailing the individual transactions.

### **Car Parking**

Car parking fees incurred while conducting Council business will be reimbursed on the basis of original receipts and relevant details regarding the purpose, date and time of the meeting or function. Carpooling is encouraged when a number of Councillors are attending the same meeting. It is recommended that Councillors seek lowest cost options when choosing paid parking facilities.

### **Infringement Notices**

A Councillor will not be reimbursed the cost of any infringement incurred for road, traffic or parking violations

## **Myki Card**

Council will make available to councilors a Myki card for travel via public transport to and from their Councillor related duties.

When Councillors use their personal Myki card, Council will reimburse the associated cost of travel in line with appropriate receipt documentation.

In addition to the duties specified under "Definition of Council Duties" in this Policy, the Council will reimburse Councillors upon request for travel expenses incurred to attend:

- A meeting, function or any other official role, as either a representative of the Council or the Mayor in the Mayor's absence; and
- A meeting of any organisation or deputation to which the Councillor has been appointed as the Council's representative, or where a Councillor is deputising for the Mayor.

Reimbursement will be:

- For travel by car, reimbursement at the Motor Car Allowance rate determined by the current RACV Vehicle Expense rate for tax deduction purposes;
- For travel by public transport, the fare will be reimbursed upon production of receipt/ticket.

NOTE: Where practical, travel must be undertaken by the shortest route possible.

For accuracy, all reimbursements regarding mileage will be referenced back to Councillor's Diary and the distance claimed against appropriate mapping software / tool.

*For further information and to claim, refer to: **Councillor-Delegated Committee Member Travel Expense Claim Form***

## **Interstate and International Travelling**

Requests for attendance at interstate and overseas events must be accompanied by a business case, describing the benefits to be gained from attendance and detailing the total costs and Council funds requested at the closest diary meeting to the expected date of travel; within three months of their attendance at an interstate or overseas event, a Councillor must table a report at a Council meeting, detailing the following:

- Details of the event topic, content, location, date and duration;
- Relevance of the event to Council's business and the Councillor's personal development needs;
- Benefits accruing to the Council from attendance; and
- Where two or more Councillors attend an event for which the tabling of a report is required, the Councillors may table a joint report.

Where a Councillor elects to have their partner accompany them to an event, all expenses relating to the partner's attendance will be met by the Councillor.

## **Professional Development**

Councillors will invariably opt to undertake professional development to improve their knowledge and ensure they are properly informed on issues of importance to the community. To assist in this education process, the policy encourages Councillors to undertake appropriate professional development (conferences, seminars, workshops and training sessions) that may be of benefit to the individual Councillor and Council as a whole.

In the first year of a new Council term, Council will provide a comprehensive induction program for all Councillors which includes:

- *Local Government Act 2020*;
- Conflict of Interest;
- Dispute Resolution;
- Fraud and Corruption Awareness training;
- Responsibilities of Councillors; and
- Councillor Code of Conduct.

Councillors undertaking professional development shall have expenses for transport, accommodation, registration fees, meals and refreshments (excluding purchases of alcohol) relating to their attendance paid by Council, as follows:

- The Council may approve expenses of up to \$2000 per financial year per Councillor, for conferences / events within Australia;
- Councillors attending conferences, seminars and other special functions are generally expected to provide a brief written or oral summary to the next formal Council meeting. The summary should outline the benefits of the conference to themselves personally, to Council operations and the Council Plan as applicable;
- The Council must approve all requests for events outside Australia, or for which a Councillor's individual \$2000 limit will be exceeded, either at a Council meeting or through inclusion in an adopted budget.

### **Dependent Care Expenses**

Councillors incurring bona fide dependent care expenses paid to a recognised provider will be reimbursed expenses when the dependent care is necessary in order to allow the Councillor to perform Council duties (as defined under "Definition of Council Duties" in this Policy).

Dependent care includes childcare, specific home care and any other support provided in the case of a dependent as defined under the meaning of a care relationship under section 4 of the *Carers Recognition Act 2012*.

Where the care relates to dependent adults, the Chief Executive Officer must be satisfied that the expense is warranted.

### **Meals**

Meals (generally lunch and dinner) shall generally be provided to Councillors where meetings are scheduled during mealtimes. Alcohol will not be provided by the Council however Councillors are able to purchase/bring their own alcohol at their own cost.

### **Councillors with Disabilities**

The Council may resolve to meet reasonable additional expenses to assist a Councillor with a disability to perform his/her official Council duties.

### **Other Expenses**

Expenses not specifically addressed in this Policy as expenditure for which a Councillor is entitled to be reimbursed or paid, may be referred to the Remuneration Committee for consideration as a "necessary expense". Where the Committee considers the expense to be legitimately incurred in the performance of Council duties, a proposal will be minuted and report provided at the next



Council meeting recommending reimbursement.

## **Insurance**

Councillors are covered under the following Council insurance policies on a 24 hour basis while discharging the duties of office of Councillor including attendance at meetings of external bodies as Council's representative:

- Public Liability and Professional Indemnity;
- Councillors and Officers Liability;
- Personal Accident;
- Motor Vehicle (Council vehicles only);
- Workers Compensation.

## **RESOURCES, FACILITIES AND SUPPORT**

### **Protective Clothing**

Where requested, Council will lend the Councillors protective clothing required to assist in carrying out duties of office. This clothing must be returned promptly upon the completion of the duty.

- Hard hats;
- Reflective vests.

### **Equipment**

The demands made upon a Councillor's time can be significant and Council business can be conducted more efficiently if Councillors are provided home access to appropriate facilities and equipment. This access is provided subject to:

- The facilities and equipment being used predominantly for the transaction of Council business (minimal non-Council use of equipment such as computers, that has no direct cost for Council, is allowable);
- The facilities and equipment are not to be used for electioneering purposes;
- Councillors must ensure the integrity and configuration of equipment provided is maintained at all times;
- Personal use which can be separately costed (e.g. personal calls from a mobile phone) will be met from the Councillor Allowance;
- Councillors must ensure the protection and safe keeping of all equipment issued;
- All equipment and stationery issued shall remain the property of Council.

### **Telecommunications**

Councillors will be provided with a personal computer, printer (incorporating the capability to scan, copy and fax (if required)), and a "smart phone" or equivalent with email access. All connection fees, rental fees and call charges relating to Council business will be met by the Council. Consumables associated with the equipment (e.g. printer toner (if required)) will be provided by the Council.

Councillors must meet the cost of electricity and reimburse the Council for all personal calls on mobile telephones.

Phone calls relating to Council business made from private home phones shall be reimbursed upon presentation of records to support this.

All equipment remains the property of the Council and must be returned at the end of a Councillor's term of office or upon retirement / resignation of the Councillor.

### **Stationery**

Councillors will be provided with name tags, business cards and basic stationery needs as required.

### **Security Access**

Each Councillor will be provided with a security access swipe card authorising 24 hour access and a parking sticker authorising use within the appropriate permit area.

All security access swipe cards remain the property of the Council and must be returned at the end of a Councillor's term of office or upon retirement / resignation of the Councillor.

### **Other Expenses**

Expenses not specifically addressed in this Policy as expenditure for which a Councillor is entitled to be reimbursed or paid, may be referred to the Remuneration Committee for consideration as a "necessary expense". Where the Committee considers the expense to be legitimately incurred in the performance of Council duties, a proposal will be minuted and report provided at the next Council meeting recommending reimbursement.

Any expenditure not specified above as expenditure for which a Councillor is entitled to be paid or reimbursed by Council shall be the responsibility of the Councillor.

### **Other Resources**

- A Council officer nominated by the Chief Executive Officer will be made available to assist the Mayor and Councillors
- Protective clothing on loan, where required to assist in carrying out a Councillors duties, such as reflective vests are to be promptly returned on completion of the duty;
- A library of reference materials (including electronic) relating to Council policies and practices, policy matters of Local Government significance in Victoria and nationally, and any other materials that may be expedient in supporting Councillors in their work.

### **Councillor's Welfare**

Councillors may approach the Chief Executive Officer with regard to any specific guidance, counselling or coaching that may be required to enhance their performance as a Councillor.

Councillors encountering difficulties with the role or personal difficulties that may impact on their role as a Councillor, are able to seek counselling on a confidential basis through Converge International. This service can be contacted on 1800 337 068. Normally, up to three sessions are provided, however, further sessions can be arranged on an as needed basis.

## **REVIEW AND REPORTING**

Reimbursement of Councillor and Delegated Committee member expenses will be reviewed on a regular basis by the Remuneration Committee and reported to the Council.

## **HUMAN RIGHTS**

Wellington Shire Council is committed to upholding the Human Rights principles as outlined in the *Charter of Human Rights and Responsibilities Act 2006 (Vic)* and referred to in Council's Human Rights Policy. The Human Rights Checklist has been completed and this policy accords with Council's policy commitment to uphold human rights principles.